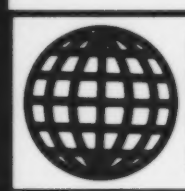

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Latin America

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Cuba

SWAPO's Effort in Solving Namibian Conflict

FL1004203889 Havana Radio Reloj Network in Spanish 1902 GMT 10 Apr 89

[Text] The decision of the SWAPO [South-West African People's Organization] in Namibia to deploy its troops to Angola opened the path for the agreement of the Tripartite Joint Commission with the council of Namibian decolonization, Carlos Aldana, head of the Cuban delegation, has said. Aldana, secretary of the Communist Party of Cuba Central Committee, added that what Cuba and Angola have done is to adjust the constructive position to permit a favorable solution, in what appears to be the last obstacle to Namibian independence.

Upon arriving at the Namibian capital from Mount Etjo, Aldana said that the tripartite agreement to solve the conflict in northern Namibia shows the solidarity of the accord on southwest Africa. I have reasons to believe that SWAPO has expressed political will based on cooperation, Aldana said in Windhoek, capital of Namibia.

UN Secretary Shows 'Satisfaction'

FL1004205689 Havana Radio Reloj Network in Spanish 1932 GMT 10 Apr 89

[Text] UN Secretary General Javier Perez de Cuellar today expressed his satisfaction over the declaration made on Namibia by the Tripartite Joint Commission, which is composed of Angola, Cuba, and South Africa. A note that was officialy circulated by the press in the United Nations also welcomes the sovereign decision of the SWAPO to cease hostilities in northern Namibia and withdraw to previously established areas. I think that [word indistinct] those events the reestablishment of the cease-fire in Namibia will be facilititated along with putting into effect UN Resolution 435, Perez de Cuellar said.

In another section of the document, Perez de Cuellar affirms that he is in contact with the special representative for Namibia, and with the UN troops, to ensure that all the agreements are met with urgency.

Aldana Calls UN Deployment 'Slow'

FL1004213089 Havana Radio Reloj Network in Spanish 1903 GMT 10 Apr 89

[Text] Carlos Aldana, secretary of the Communist Party of Cuba and head of the Cuban delegation to the tripartite meeting on the Namibian situation, has said that Cuba shares the concern of the international community and of the SWAPO over the deployment of UN forces to Namibia which is slow and must be accelerated.

Aldana added that the plan agreed on during the meeting places a lot of importance to the safety and protection of the SWAPO combatants and of the security forces. The tripartite agreement includes the establishment of a period during which SWAPO members will be given access to meeting points agreed on by the three countries signing the agreement, Carlos Aldana said. The UN Security Council will meet today to analyze the situation in Namibia, after the tripartite agreement that has been reached at Mount Etjo in Namibia.

UNTAG Blamed for Namibian Problem

PA1104044889 Havana International Service in Spanish 0125 GMT 11 Apr 89

["Focus" by Dulce Maria Pastor]

[Text] The regrettable incidents that have taken place in northern Namibia since 1 April, when the transition period for Namibian independence began, have proved that the United Nations Transition Assistance Group [UNTAG] did not properly take all the steps that would lead to the fulfillment of the peace plan. Only 8 days after Martti Ahtisaari, the UN representative in Namibia, assumed his duties in Windhoek, the Angola-Cuba-South Africa joint commission had to hold an urgent meeting in Namibia to find an acceptable solution to the crisis in the northern part of the country.

During the meeting, which ended on Sunday with the release of a joint declaration, the three parties reaffirmed that they will abide by the commitments made in the agreement signed in December to achieve peace in southwest Africa, especially regarding the decolonization of Namibia. Shortly before the results of the meeting were disclosed, SWAPO suggested a cease-fire to implement the UN peace plan, regroup Namibian fighters, and have them withdraw to a neighboring country.

The UNTAG will be responsible for ensuring that the SWAPO forces can withdraw into Angola—the country that offered its territory—without any trouble until they have crossed the 16th parallel. In addition, the UNTAG must provide protection at the areas designated for regrouping, a task that it will share with the administrator appointed by South Africa for Namibia, Louis Pienaar.

The peace plan for Namibia has been drafted, and mankind hopes no great obstacles will arise that could hinder the real implementation of Resolution 435 for the independence of Namibia.

UN Says 'Crisis Over'

FL1104121389 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Apr 89

[Text] UN Secretary General Javier Perez de Cuellar considers the Namibian crisis over since the signing of agreements last weekend between Angola, Cuba, and South Africa and because of the SWAPO declaration.

In his report to the Security Council, Perez de Cuellar referred, basically, to the agreements of the joint commission that deliberated, with extraordinary character,

in Mount Etjo, 200 km from the Namibian capital. Perez de Cuellar also talked about the UN soldiers that should go to Namibia.

For his part, in declarations made to the press in Windhoek, Carlos Aldana, secretary of the Communist Party of Cuba's Central Committee and chief of the Cuban delegation to the extraordinary session of the tripartite joint commission, said that SWAPO's sovereign decision to withdraw its military forces was what enabled Angola, Cuba, and South Africa to reach an agreement on the continued decolonization of Namibia.

He added that Cuba and Angola have simply readjusted their constructive position to facilitate the road to a solution and thus be rid of what appears to be the last obstacle for the application of UN Security Council Resolution 435.

Aldana also expressed his concern for the slowness in which the UN forces are being deployed in Namibia.

Jorge Risquet Meets Union Federation Leader

FL1004150089 Havana Radio Progreso Network in Spanish 1100 GMT 10 Apr 89

[Text] Jorge Risquet, member of the Communist Party of Cuba's Secretariat of the Central Committee has met in Havana with (Ibrain Zacarias), secretary general of the Federation of World Unions.

During the meeting, the two officials discussed matters related to the struggle for peace, disarmament, and development, as well as support for just causes and the vindication of the working class.

(Ibrain Zacarias) arrived in Cuba yesterday to take part in the 41st meeting of the Bureau of the Federation of World Unions which will begin tomorrow.

Polish Official Gives Award

FL1004181489 Havana Tele-Rebelde Network in Spanish 1700 GMT 10 Apr 89

[Text] The Merit Order of Commendation of the People's Republic of Poland was awarded to (Ibrain Zacarias), secretary general of the Federation of World Unions.

Jerzy Zieba, member of the People's Republic of Poland's Council of State and vice president of the National Unions Accord of that country, awarded (Zacarias) the high honor at the headquarters of the Polish Embassy. The order is the highest given by that country to foreign citizens.

The secretary general of the Federation of World Unions is in Cuba to participate in the 41st meeting of that organization. At that time, the delegates will discuss the most pressing problems of the workers and they will also reclaim the workers' rights in light of the economic crisis faced by Latin America and the entire world.

World Union Meeting Begins

FL1104123089 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Apr 89

[Text] Today and tomorrow, representatives from 36 countries and 3 unions that are participating in the 41st meeting of the Bureau of the Federation of World Unions will discuss everything related to the preparations for the next World Union Congress.

The intensification of international solidarity with the claims and struggles of Latin American and Caribbean laborers, the abolition of the foreign debt, the laborers' facing this crisis, the negotiated solution to regional conflicts, and the struggle to achieve a new international economic order will also be among the debates analyzed during the meeting at Havana's Palace of Conventions.

Trade With PRC to Exceed $400 Million for 1989

FL1004220489 Havana Radio Reloj Network in Spanish 1904 GMT 10 Apr 89

[Text] Cuba has become the second largest commercial trading partner of PRC in Latin America; the volume of their bilateral exchange will amount to more than $400 million this year. This was reported in Havana by (Xi Chuhang), trade advisor of the PRC Embassy in Cuba, who said that trade between the two countries is developing at an accelerated pace. In 1987, it was only $200 million. However, he said that the rate of growth, which is 50 percent, is still insufficient.

Next to Brazil, Cuba is the largest exporter of goods from this continent to the PRC. The exports include sugar, citrus fruits, and other products. Meanwhile, the PRC, third largest exporter to Cuba after the USSR and the GDR, sends to our country large amounts of rice and machinery, in addition to over 300 other products.

Cooperation Agreement Signed With Mongolia

FL1004125689 Havana Tele-Rebelde Network in Spanish 1700 GMT 8 Apr 89

[Text] The second session of the Intergovernmental Commission for Economic-Scientific/Technical Cooperation between Cuba and the People's Republic of Mongolia culminated with the signing of an agreement.

On the Cuban side, the document was signed by Ernesto Melendez Bachs, minister president of the State Committee for Economic Cooperation, while Punsalmaagiyn Ochirbat, minister of foreign economic relations and supply, signed on behalf of Mongolia.

The cooperation protocol includes the public health, agriculture, geology, water resource management, statistics, and pricing sectors.

Ministry Praises Vietnamese Troop Withdrawal

FL1104005789 Havana Television Service in Spanish 0000 GMT 11 Apr 89

[Text] On 5 April 1989, the Governments of the People's Republic of Kampuchea, the Lao People's Democratic Republic, and the SRV, issued a joint declaration in which they announced that the withdrawal of Vietnamese troops from Cambodian territory will be complete in September of this year.

The Ministry of Foreign Relations of the Republic of Cuba salutes this new expression of goodwill by the governments of the Indochinese countries to solve the problem of Cambodia, in particular, and the situation of southeast Asia in general, with the goal of turning it into a zone of peace, stability, friendship, and cooperation according to the legitimate wishes of its peoples.

The Ministry of Foreign Relations of Cuba joins the Indochinese countries in a call to the governments of all involved countries to cease all military assistance to the Cambodian parties, and to cease any interference in the internal affairs of Cambodia in order to prevent a continuation of bloodshed in that territory and to motivate the Cambodian parties to solve internal matters on the basis of national reconciliation, and in accordance with the final declarations formulated by the president of the informal meetings in Jakarta, [word indistinct] last March.

Dominican Republic

* Central Bank on 1988 Leading Economic Indicators

32480103 Santo Domingo LISTIN DIARIO in Spanish 1, 2, 3, Mar 89

[1 Mar 89 p 2-D]

[Text]

Gross Domestic Product

During 1988 the Dominican economy maintained a satisfactory growth rate, its real gross domestic product registering a 0.9 percent increase over 1987, growth that enabled the country to slightly exceed the production levels of 1987, when the largest increase in recent years occurred.

These results surpass the performance shown by some Latin American and Caribbean countries that are not oil exporters: Argentina (0.5 percent), Brazil (0.0 percent), Haiti (-5.0 percent), Nicaragua (-9.0 percent), Panama (-25.0 percent,; and Uruguay (0.0 percent); this is according to the report published by ECLA [Economic Commission for Latin America] indicating the progress of the Latin American total gross domestic product for 1988, which registered an average growth of 0.7 percent, with 0.9 percent attributed to oil exporting countries, and 0.6 percent to those not exporting oil.

The Sectors

The sectors with the most influence on the growth of the Dominican Republic's gross domestic product were: construction (7.6 percent), finance (10.1 percent), communications (16.0 percent), and government (8.4 percent). The electricity sector, on the other hand, declined 2.0 percent, due to the energy crisis besetting the country as a result of the technical and financial problems confronting CDE [Dominican Electricity Corporation]; this has caused constant service outages in most of the power plants due to breakdowns and a lack of maintenance, with a considerable effect on the country's leading productive activities.

In this respect, agricultural and livestock production declined by 1.7 percent, the result, among other things, of the negative impact on the agricultural subsector from the cuts in production of sugar cane and unhulled rice, crops that contributed 42.1 percent of the gross agricultural product in 1988.

Nevertheless, it should be stressed that, if the aforementioned crops are excluded from agricultural activity, the agricultural-livestock sector reflects a growth of 0.5 percent for that year, with its respective subsectors showing growth of 0.7 percent for agriculture, 0.1 percent for livestock raising, and 2.8 percent for forestry and fishing. This was due mainly to the state's financial backing through Bagricola [Agricultural Bank] and FIDE [Investment Fund for Economic Development], institutions which, during 1988, channeled loans in the amount of 932.4 million pesos, exceeding the loans granted by these agencies in 1987 (460.0 million pesos) by 102.7 percent.

FIDE

In this regard, it is important to stress the dynamization of the credit policy for 1988 through FIDE, an agency which, last year, granted loans totaling 400.1 million pesos; a figure representing 40.9 percent of the total funds directed toward the agricultural-livestock sector from the time of FIDE's creation in 1965 until 1987 (978.1 million pesos).

Similarly, when the amount of credit for 1988 (400.1 million pesos) is compared with the sum financed in 1987 (160.2 million pesos), one notes an absolute increase of 239.9 million pesos, and a relative increment of 149.8 percent.

The increase in state financing, together with the equipment supply programs implemented by the State Secretariat of Agriculture to partially subsidize small and medium-sized agricultural producers, helped to raise the production of certain staple products included in the family market basket, such as guandules [a pea-like plant] (60.0 percent), yautia [a herbaceous plant of the arum family] (5.7 percent), bananas (2.2 percent), beef (1.3 percent), pork (4.8 percent), etc.

It should be noted that the 9.8 percent drop in sugar cane production was influenced mainly by the diversification that has been under way in the cane-growing areas since 1985; it is estimated that a total of over 400,000 tareas [a unit of land measurement] used to grow cane are are being allocated to grow fruit and crops with short cycles.

Another significant phenomenon in the decline of cane was the nearly 30.0 percent reduction in Haitian labor.

Rice Down

The reduction in rice (7.1 percent) was a result, among other things, of the private sector's limited contribution to the financing of this crop since the government granted loans amounting to 413.4 million pesos, covering approximately 65 percent of the total cultivated area. As a secondary negative impact affecting grain production mention might be made of the adverse effects of Hurricane Gilbert, whose winds and heavy rainfall contributed to a decline of approximately 6.7 percent in spring crop yields.

Agriculture and Mining Down

The shrinkage in agricultural activity, combined with the energy deficit, caused a 3.4 percent decline in the industrial sector, with particular effects in this activity on the production of sugar (-11.0 percent), brown rice (-7.0 percent), pasteurized milk (-40.3 percent), and rum (-4.7 percent). In mining activities it is noteworthy that the Dominican state accrued a major gain as a result of the fulfillment of the stipulations contained in the "Amendment Accord" signed between the former and Falconbridge, in which this company promised to pay the taxes for the ferronickel shipped.

Despite what has been stated previously, the mining sector, declined 7.7 percent in real terms. This is primarily the result of the 5.7 percent drop in gold production due to the depletion suffered by the dore mines and the 10.7 percent cut in ferronickel production, prompted by the stoppage of activity in the firm Falconbridge Dominicana, Inc, during the early months, as a result of the aforementioned negotiations.

It should be pointed out that a calculation of the gross domestic product at constant prices shows a decline in the mining sector, because the activity is gauged in terms of volume; however, if the preliminary results accrued from the value added at current prices are analyzed, one notes that the mining sector's contribution to the economy was considerable in 1988, with a 63.0 percent increase due to the effect of favorable prices for the leading mining products, which rose 155.0 percent compared with 1987.

As for the construction sector, it achieved a growth of 7.6 percent over the significant increase that occurred in 1987 (34.1 percent). This is because major public investment plans continue to be implemented and the government is allocating a sizable proportion of its funds, since this is one of the dynamizing sectors of the economy, generating a high level of employment and income.

Government Is Growing

On the other hand, the government sector has grown 8.4 percent, in contrast to the 4.3 percent reduction experienced in 1987. This is mainly due to the increase shown in the autonomous and decentralized institutions (31.4 percent), primarily as a result of the extension of the People's Market Basket Programs by the National Institute of Price Stabilization (INESPRE).

The finance sector also grew 10.1 percent, mainly because of the increase in the activities of the commercial banks and insurance companies.

[2 Mar 89 p 3-D]

[Text]

Imports

With respect to purchase of goods abroad, the value attained in 1988 totaled $1.6 billion, representing an increase of $8.5 million (0.5 percent) over the 1987 figure, namely, $1.5915 billion. This slight increase in the value of imports reflects an achievement on the part of the central government, in its attempt to moderate such growth through an expansion of the exchange commission in November 1987, and a temporary ban on certain nonpriority imports.

This rise in the value of total imports is explained largely by the increase in imports termed "others," those of the National Institute of Price Stabilization, and those of coal, which rose by $44.3 million, $24.7 million, and $0.6 million, respectively. These increases exceed the reductions originating in imports of petroleum and by-products, and those made by Dominican Mills, which declined by $55.7 million and $5.4 million, in each instance.

Others

The purchases abroad classified in the "other imports" category totaled $1.1830 billion (3.9 percent) compared with the $1.1387 billion imported during 1987. This was largely the result of the increase in imports of capital goods and raw materials for the industrial sector, among others.

Petroleum and By-Products

As for petroleum and by-products, the 1988 imports totaled $322.2 million, that is, $55.7 million under those in 1987 ($377.9 million). This decline is a result of the reduction in the average import price of $2.83 per barrel,

although there were increases for some imported by-products, especially those imported by the Dominican Petroleum Refinery (REFIDOMSA).

The refinery's crude imports, for their part, attained a value of $140.9 million, representing a reduction of $56.5 million, resulting from the combined effect of fewer purchases (1.5 million barrels) and a reduction in the average import price ($3.11 per barrel). The aforementioned reduction is due mainly to the decline in crude coming from Venezuela, which was replaced with by-products originating basically in that same country.

The Falconbridge Dominicana imports reached $44.2 million in 1988, representing a decline of $11.7 million in comparison with the volume imported in 1987. This reduction is due largely to the drop in the average import price of $3.58 per barrel.

Moreover, the value of imports of petroleum by-products totaled $137.1 million, exceeding the volume purchased in 1987 ($124.6 million) by $12.6 million. This was a result of the 1.7 million-barrel increase in the volume imported, despite the reduction of $2.26 in the average per barrel price. The purchases made by the refinery increased by 3.7 million barrels, to meet the requirements of the domestic demand, particularly sales to CDE, since the company's production derived from imported crude was insufficient. The imports made by the Dominican Electricity Corporation, for their part, dropped 73 percent, because the aforementioned company experienced a considerable cut in the purchases of its products abroad. For this reason it was supplied mainly by the Dominican Petroleum Refinery.

INESPRE

The imports made by INESPRE during 1988 totaled $48.9 million, representing an increase of $24.7 million (102.1 percent) over 1987 ($24.2 million). This increase is due mainly to the impossibility of meeting the domestic demand through the national production of powdered milk, soybean oil, string beans, chicken, and tomato paste, among other foods.

Dominican Mills

As for Dominican Mills wheat imports in 1988, they totaled $34.9 million, that is, $5.4 million (13.4 percent) below the volume in 1987, when they totaled $40.3 million.

Exchange Balance

According to the available preliminary figures, the Central Bank's exchange balance ended 1988 with a surplus of $74.3 million, as a result of foreign currency income amounting to $1.4733 billion and outlays totaling $1.3845 billion (the special U.S. dollar account is not included).

The results cited for the exchange balance caused the gross reserves position at the year's end to total $309.5 million. It should be stressed that this level of Central Bank gross reserves was achieved despite the fact that, during 1988, and particularly after the repayment system went into effect, the economy's demand for imports was adequately met, and payments were made on the foreign debt service.

The year that has just ended might be described as one in which the exchange situation recovered somewhat from the sizable losses that it suffered during the second half of 1987. Moreover, these results will make it possible to successfully cope with the commitments for extra payments that are traditionally accumulated by January.

Foreign Currency Activity

Generally speaking, the foreign currency income exceeded that of 1987 by a total of $381.9 million, as a result of the enactment, on 1 August 1988, of the foreign currency repayment system and, particularly, of the renegotiation of the mining operation contract with Falconbridge Dominicana, which produced revenue totaling $80.4 million. The income from exports increased by $70.5 million, and for services and donations, by $314.0 million; the aforementioned Falconbridge sum is included in the latter figure. On the other hand, disbursements for loans declined by $2.6 million.

Outlays of foreign currency also exceeded those in 1987, but by only $143.4 million, including an increase in the payments for imports totaling $161.4 million, $18.4 million more for services and donations, and a reduction of $36.4 million in payments on loans.

The aforementioned foreign currency repayment system made possible the following achievements, in particular:

1. During the period January-July 1988, the Central Bank received $612.1 million; in contrast, during the interval from August to December, a period when the repayment system was in effect, the collection totaled $861.1 million, with a $249.0 million increase in foreign currency income.

2. The average monthly foreign currency income totaled $87.4 million during the period from January to July, whereas for August-December that average increased to $172.2 million.

3. The average income per working day was $4.2 million for the period January-July, and it rose to $7.9 million between August and December.

Balance of Payments

The balance of payments ended 1988 with a surplus of $145.2 million. This result is gauged from the variation in net international reserves, based on the International

Monetary Fund's methodology. The renegotiation of certain liabilities with the Central Bank of Venezuela is not considered therein, because it constitues a reprogramming of payments.

This result of $145.2 million in international reserves stems from an increase of $71.1 million in international assets, and a $74.1 million decline in international liabilities, including a reduction of $63.0 million in the use of IMF credit.

[3 Mar 89 p 2-D]

[Text] The Central Bank's main goals during 1988 were to regulate the money supply as a means of stabilizing the exchange rate, and to moderate inflation, as well as continuing to reorganize the financial system.

In order to attain those basic objectives the Central Bank adopted a series of measures, noteworthy among which was the sale of foreign currency on the free market in order to remove pressure on the exchange rate. It tightened the controls on money issues, sold certificates of participation to the public, and demonetized 369.1 million pesos applied to the public sector's foreign debt, generated by the 20 percent surcharge on imports.

Other significant monetary-type measures adopted were:

Compliance with the legal reserve was reported, with an order to expand the freeze on the loan portfolios of commercial banks incurring consecutive shortages.

Also, in connection with the Reserve Bank's net credit ceilings, from 12 May 1988 until 30 June 1988, an order was issued for a freeze on the private sector's loan portfolio, a quarterly reduction of 65.0 million pesos in the public sector's credit, and the imposition of charges for violation of these ceilings.

Among the financial measures, Resolution 24, of 3 March, in turn, ordered the expansion and diversification of operations on the part of certain entities in the national financial system.

Resolution 7, of 12 May, ordered the reception of applications for FIDE and INFRATUR [Tourist Infrastructure Fund] funds suspended for 90 days, with the exception of financing for the agricultural-livestock sector.

Interest Rates

On 12 May active interest rates, fixed at 12 percent per year for several decades, were changed to permit, in addition to the annual 12 percent interest, a commission for loans of 12 percent annually for the entities in the regulated system, as maximum annual charges (24 percent) for each operation.

All of these measures, combined with the enactment of the foreign currency repayment system, led to a reduction in the exchange rate from 8.03 on 23 June 1988 to 6.35 at the end of that year. This represents a 162-point appreciation of the Dominican peso with respect to the U.S. dollar.

At the end of 1988 money issues reached a value of 3.8359 billion pesos, exceeding the total for 1987 (1.8875 billion pesos). This represents an increase of 1.9484 billion pesos, or 103.2 percent. The composition of this considerable increase did not cause a similar level of growth in the currency. This is because the bills issued, which are the major component in the issues, increased 37.1 percent. The rest was due to the elimination of the draw-down of legal reserves maintained by the commercial banks and to the increase in bank deposits.

Money Supply

As for the money supply (M1), it reached a preliminary balance of 4.5412 billion pesos at the end of 1988, a figure representing a 46.4-percent increase over December 1987 (3.1026 billion pesos).

The fact that the money supply did not reflect growth similar to that registered by money issues may be explained primarily by the recovery of the Central Bank's demonetization authority, through the foreign currency repayment system.

Control of the medium of exchange and its moderate average growth rate was facilitated by stringent application of the legal cash reserve to commercial banks. During 1988 the draw-down of cash reserves by private commercial banks gradually declined from the 299.3 million pesos with which it ended 1987, and was eliminated. An average cash surplus of 40.0 million pesos was reached by the end of 1988.

Moreover, during the last week of 1987 the Reserve Bank registered an average cash shortage of 543.0 million pesos in its legal reserve position, under the basic and marginal cash reserve system applied to that banking institution during this period.

Subsequently, through Resolution 1 adopted on 11 February 1988, it was stipulated that this entity had to gear its public and private sector operations to the new cash reserve system implemented for private commercial banks. By virtue of the aforementioned resolution, the Reserve Bank's average shortfall level was frozen at 200 million pesos, on the condition that it must gradually reduce these shortfalls within a period of 3 years, with the minimal required monthly reduction set at 2.0 million pesos for the first year.

New Cash Reserve

As for the results achieved in this new cash reserve, it is noted that, during week number 47, which ended on 25 November 1988, the Reserve Bank showed a shortfall of 185.4 million pesos, undergoing a sizable reduction of 357.6 million pesos in comparison with the draw-down of cash reserves during the final week of 1987, when the basic and marginal cash reserve was in effect for this bank. Nevertheless, the lack of liquidity at the Reserve Bank is due to its operations with the public sector.

The Central Bank's internal financing by way of advances and rediscounts posted a balance of 606.1 million pesos for 1988, representing a reduction of 0.2 million pesos compared with the figure for 1987 (606.3 million pesos), as a result of the policy in effect for a gradual reduction in financing by way of rediscounts, applied to both private commercial banks and development banks.

The collection of funds by the commercial banks through demand, savings, and time deposits showed a preliminary balance of 5.8568 billion pesos. In relative terms, the foregoing figure represented a 42.3 percent increase compared with that for 1987. Demand deposits underwent the most significant increase—totaling 49.4 percent—rising from 1.7768 billion pesos in December 1987 to 2.6541 billion pesos in December 1988.

Loans granted by commercial banks showed a balance of 4.7748 billion pesos, with an increase of 817.0 million pesos (20.6 percent) over 1987 (3.9578 billion pesos). Noteworthy in this respect was the increase in funds channeled toward the private sector (25.8 percent); those directed toward the public sector declined 4.9 percent.

Private Non-Monetary Financial Sector

According to preliminary figures, at the end of 1988 the channeling of funds from nonmonetary financial intermediaries showed a total of 3.6052 billion pesos, that is, 655.5 million pesos (22.2 percent) over the balance in December 1987.

As for the collection of funds, also based on preliminary figures, it showed an increase of 519.1 million pesos (17.1 percent), rising from 3.0410 billion pesos in December 1987 to 3.5601 billion pesos at the end of 1988. Among these institutions, the savings and loan associations were the entities receiving a greater collection from the public in the procurement of new funds, with an increase of 321.7 million pesos, equivalent to 61.9 percent of the total for those funds. In 1987 the collection of funds by these entities increased 29.9 percent.

Trade Balance

According to the available preliminary statistics, the Dominican Republic's trade balance closed in 1988 with a deficit of $709.6 million, 19.4 percent ($170.6 million) lower than in 1987. This was a result of the performance of exports and imports, which totaled $890.4 million and $1.6000 billion, respectively.

The reduction in the trade deficit was due mainly to an increase of $179.1 million (25.2 percent) in exports; whereas imports rose by only $8.5 million (0.5 percent) over 1987.

Exports

The aforementioned increase in the value of exports was primarily a result of the rise in average prices of ferronickel and coffee beans, as well as the increase in the volumes of rich molasses, cocoa beans, leaf tobacco, refined sugar, and silver exported.

An increase was seen in the export value of raw sugar; it was attributed to the rise in the average price for 100 pounds due to the higher prices at which sugar was being sold on the world market.

As for green coffee exports, during 1988 they increased by $4.4 million compared with the $63.3 million exported in 1987. This increase is attributed mainly to a $15.05 increase in the average price of 100 pounds that occurred on the international market; this again quotas to be assigned by the International Coffee Organization (OIC).

Sales of cocoa beans abroad during 1988 totaled $62.3 million, or $4.1 million lower than the $66.3 million exported during 1987. This reduction was due primarily to the decline in prices on international markets.

On the other hand, the value of leaf tobacco exports totaled $17.7 million in 1988, or $3.5 million more than those in 1987 ($14.2 million); this was the result of the increase in export volumes, which rose from 10,543 metric tons in 1987 to 15,000 metric tons in 1988.

The value of bauxite exports declined by $2.6 million because 166,000 metric tons were sold abroad at an average price of $9.37 per metric ton. That decline in the export value was caused by a reduction of 162,046 metric tons in the sales volume, and also by a drop in the price of that mineral.

During 1988 75,000 metric tons of ferronickel were exported (3,000 metric tons below the previous year's exports), attaining a value of $284.0 million for this year, at an average price of $177.00 per 100 pounds. This export value proved over 50 percent higher than that for 1987, as a result of the rise in the average price of $110.28 per 100 pounds.

As for dore (a gold and silver alloy), 1988 exports totaled $101.7 million, or $18.4 million below that in 1987 ($120.0 million). This performance was due primarily to a decline in the volume of gold, and also in its average price, even though silver showed an increase.

With regard to "other products," exports of minor agricultural goods and manufactures totaled $160.0 million, or $11.3 million over 1987, due mainly to a rise in the prices of certain agricultural products on international markets.

Grenada

MBPM Promises 'Free Media Time' to Opposition

FL1004184689 Bridgetown CANA in English 1636 GMT 10 Apr 89

[Text] St George's, Grenada, April 10, CANA—The opposition Maurice Bishop Patriotic Movement (MBPM) has promised to provide free media time for the opposition if it forms the government in Grenada's next general elections due by March next year.

MBPM leader Dr Terry Marryshow said that the party favours opposition groups having access to state-owned media houses. He told reporters that under an MBPM government the opposition would be given "equal time" on local radio and television.

Marryshow stated that his party, an offshoot of the marxist New Jewel Movement (NJM) which ruled Grenada 1979-83, believes the population should be exposed to different political views on the local media in order to help them decide which programme to support.

"I... support the opening up of the media," said the Cuban-trained medical doctor. "If we are to build a vibrant democracy in this country, the Grenadian people need to be exposed to different points of view," he added.

During the 1979-83 rule of the man whose name Marryshow's party carries, Grenada was often criticized internationally for curtailing press freedom.

Bishop's People's Revolutionary Government (PRG) had closed down one newspaper and had detained the editor of another for 3 years in prison without trial.

Haiti

Further Reaction to Persistence of 'Crisis'

Ministry Issues Press Release

FL1004143389 Port-au-Prince Radio Nationale in French 1343 GMT 8 Apr 89

[Press Release issued by the Ministry of Information and Coordination in Port-au-Prince on 8 April]

[Text] In view of the persistence of the crisis that has existed in the country for almost a week now, and for the fullest edification of public option, the government of the Republic deems it necessary to recall the following things to mind: - Within the framework of the policy of cleaning up the nation's institutions demanded by the entire Haitian people, the government of the Republic proceeded to fire four officers linked to certain politicians and implicated in drug trafficking. Other officers, themselves linked to the aforementioned (?group of officers), a few days later attempted to effect a coup d'etat, going so far as to lay hands on the president of the military government, the minister of interior and national defense, and members of their families. - Thanks to the vigilance of the soldiers of the Presidential Guards, the plot failed. However, ever since Monday, the soldiers of the Leopards Corps that former Colonel Himmler Rebus—another instigator of the plot—commanded, rebelled, sowing panic among the civilian population and causing disorder and looting. Consequently, a serious malaise [malaise] arose within the Dessalines Barracks Battalion. - Despite the attempts to negotiate undertaken on Monday and despite manifest proof of good faith on the part of the government, the soldiers in rebellion, thanks to the support of the politicians bribing them, are continuing to cause agitation and to attack lives and property, thereby greatly endangering the civilian population and the national sovereignty. - The government is able to confirm that the abortive plot was hatched by elements from the old regime that was ousted on 7 February 1986 following a meeting held in Miami under the sponsorship of Roger Lafontant—a meeting in which people who had in the past profited from the Duvalier government participated. Their plan was aimed solely at restoring the former order of things. - It goes without saying that through their criminal action, these evildoers were seeking to obstruct the government's democratization efforts—among others, the setting of the electoral process in March and the measures aimed at normalizing Haiti's situation on both the national and international level—a normalization which is the only thing capable of leading to the satisfaction of the urgent demands of the population. - Aware of what is at stake in this crisis—a crisis which threatens the very survival of the nation—the Haitian Government hereby makes an urgent appeal to the democratic organizations, whose initial positions it appreciates; to the union and socioprofessional organizations; and to all the nation's vital forces to come stand at its side in order to foil this plot, which, should it succeed, can lead only to the return of dictatorship. - The Haitian Government wishes to explain that the measures that have thus far been taken, as well as any that may follow, are aimed solely at safeguarding the Haitian people's democratic conquests. The Haitian Government forcefully reiterates its commitment to lead the nation, with the help of all patriots, toward the establishment of a rule of law.
[Signed] Ministry of Information and Coordination
[Dated] 8 April 1989, Port-au-Prince

Notes 'Instigator' Deportation

FL1004153489 Port-au-Prince Radio Nationale in French 1343 GMT 8 Apr 89

[Press Release issued by the Ministry of Information and Coordination in Port-au-Prince on 8 April]

[Text] The government of the Republic announces that Roger Lafontant, the instigator of the coup d'etat that

failed on the night of 1 April 1989, after having his U.S. visa canceled by the U.S. Immigration Service, is now in the Dominican Republic, were he went in order to be closer to Port-au-Prince. At the expressed request of the Haitian Government, which is determined to put aside any and all possibilities of a return to an autocratic system—the source of so many woes for the population—the Government of the Dominican Republic has promised to make Mr Lafontant leave the Dominican Republic as soon as another country will agree to receive him.

Proof has been established that the attempt to destabilize the government and the movement of insecurity waged against the civilian population were directed from a distance by Roger Lafontant, who harbors the hope of seizing power in Haiti—at any price.

The Haitian Government, concerned with ensuring a successful return to constitutional order, invites the different units of the Armed Forces, political leaders, socioprofessional associations, people with influence on public opinion, and the population in general to get a grip on themselves, with the view to safeguarding the gains of 17 September so dear to all democrats and to every Haitian concerned with erecting structures that will give rise to hope.

The president of the military government reiterates his firm determination to pursue his policy of engaging in dialogue, a necessary component of a successful transition toward a serene and secure future.

The government remains steadfast regarding this choice that it has made.
[Signed] Ministry of Information and Coordination
[Dated] 8 April 1989, Port-au-Prince

Avril To Reestablish Authority

PA1004182689 Madrid EFE in Spanish
1807 GMT 10 Apr 89

[Text] Port-au-Prince, 10 Apr (EFE)—The situation in Haiti continues to be very confusing today after weekend disturbances, which left four people dead and another seriously injured. President Prosper Avril's military government is trying to reestablish its authority, after controlling the military rebellion that broke out 8 days ago. It announced last night that press censorship and the curfew had been lifted. The unrest in Haiti dates from 2 April, when rebel troops tried to overthrow General Prosper Avril, president and commander in chief.

Last night, just before the 2100 curfew began, an explosion killed three members of the Presidential Guard, who were patrolling the area near the presidential palace, located at Reunion and St Honore Streets. A young girl who was passing by was also seriously injured.

Just before the curfew began, indiscriminate shooting took place, and a youth who was entering his home was killed. Public transportation and some commercial establishments have reopened, but virtually all Port-au-Prince downtown establishments have been closed. Banks and schools remain closed today. Troops loyal to Avril continue to search homes and vehicles.

Gen Avril had scheduled a news conference for 1000 this morning, but, an hour later, the meeting had not yet begun. It is still unknown whether the delay is just one of Gen Avril's usual late arrivals to meetings with the media or whether he decided not to attend for fear that the media would support a boycott called by the Haitian Journalists Association.

Haitian media spokesman have asked media representatives not to attend this news conference to protest the attacks over the past few days against Port-au-Prince radio stations by the Presidential Guard and to demand freedom of the press.

The government published a communique today in which it expressed sympathy for the owners of radio stations that had been looted, and in which Avril denied that such acts of vandalism had been carried out by the National Guard. He blamed the rebellious Dessalines Battalion and Leopards Corps soldiers for the vandalism. The government's version has been denied by the Haitian Journalists Association.

Newsmen Denied Access to Garrison

PA1004193489 Madrid EFE in Spanish
1847 GMT 10 Apr 89

[Report by Michel Lamisere]

[Excerpts] Port-au-Prince, 10 Apr (EFE)—[Passage omitted] General Prosper Avril told a group of foreign and Haitian reporters: "I have killed nobody, nor will I kill anybody. My hands are clean." [passage omitted]

Independent observers doubt that some 800 Dessalines Battalion troops have surrendered. Avril denied a jounalist's request to visit, along with his colleagues, the rebel garrison. During a news conference broadcast on radio and television, Avril said that it would be unsafe to visit the Dessalines Battalion garrison.

President Avril, who forcefully seized power last 17 September after toppling Henri Namphy—who had also reached power through the same means—refused to name the civilians who were arrested last weekend. Radio reports maintain that many civilians were arrested following a cross fire between the Presidential Guard and the rebellious soldiers. Avril claimed that he has no knowledge of the alleged arrests. The clashes between the Presidential Guard and the Dessalines Battalion and Leopards Corps soldiers have left more than 40 dead and 100 wounded in Haiti, the poorest country in the hemisphere.

St Vincent and the Grenadines

Authorities Seize Venezuelan Fishing Boat

FL1004131089 Bridgetown CANA in English 1248 GMT 8 Apr 89

[Text] Kingstown, St Vincent April 8, CANA—The St Vincent and the Grenadines Coast Guard has detained a Venezuelan fishing boat and its 10-member crew, said to have been caught fishing illegally in St Vincentian territorial waters.

Chief fisheries officer, Kerwyn Morris, said the 60-foot "Impesmar I" was caught Thursday night, 3 miles north of Canouan in the southern Grenadines with about 4 tons of fish—mainly yellow fin tuna and albacora—on board.

Shortly after midnight Thursday, Coast Guard vessel "The George McIntosh" escorted the "Impesmar I" into Kingstown Harbour. Morris said he held preliminary discussions with the captain on Friday morning and outlined to him the penalties prescribed under the law for illegal fishing here. These include forfeiture of the vessel and catch, as well as heavy fines.

The fisheries official said the incident had already been drawn to the attention of the owners of the vessel in Venezuela and that the Venezuelan Embassy here was assisting the captain and crew to resolve the matter.

Four years ago, the owners of three Venezuelan fishing trawlers had to pay U.S. 100,000 dollars compensation to the government here as part of an out-of-court settlement after the trawlers were intercepted in St Vincentian waters with a combined catch of 150 tons of fish including tuna and bonito.

Salinas Meets With Bulgarian Parliamentarians

PA1104023789 Mexico City UNOMASUNO in Spanish 7 Apr 89 p 3

[Report by Ricardo del Muro]

[Text] Mexican President Carlos Salinas de Gortari has asserted that the changes his government is promoting "are based on the Mexican people's desire for change. The Mexican people are aware that changes are an essential prerequisite to meet the daily demands of the growing Mexican population."

Addressing members of the Mexican and Bulgarian legislative delegations, who visited him at Los Pinos presidential residence, President Salinas said Mexico and Bulgaria are committed to introduce nationalist and peoples' changes in order to face world transformations. Salinas added that change will strengthen the freedom Mexicans enjoy, and it will allow us to actively participate in international forums in order to promote peace and world development.

President Salinas said: "The world is currently undergoing transformations that have forced many nations to change in order to be an active part of those transformations." Salinas added, however, that the changes being introduced in Mexico are based on the Mexican people's desire for change in order to meet the people's daily demands.

At the Juarez room of Los Pinos residence, Salinas discussed the importance of the Mexico-Bulgaria interparliamentary meeting that ended yesterday. The Bulgarian parliamentary delegation was headed by Deputy Grisha Filipov, chairman of the Bulgarian Peoples' Republic National Assembly Socioeconomic, Development Commission while the Mexican delegation was headed by Senators Emilio M. Gonzalez and Alfonso Martinez Dominguez.

"As you have noticed, changes have two basic purposes in Mexico: to strengthen our country's sovereignty and to strengthen the welfare of Mexicans," Salinas de Gortari told the Bulgarian parliamentarians.

Salinas said he was pleased with the Mexico-Bulgaria interparliamentary meeting "because the two countries had the opportunity to share their ideals for peace and world development."

The delegations handed Salinas copies of the documents signed at the end of the interparliamentary meeting, which include the cooperation agreements that the two countries have with various other nations.

The Bulgarian delegation gave President Salinas a gold sculpture of an amazon "in memory of our visit," Filipov said. The statuette is part of the Panaguirishte treasury and is a copy of a statuette made between the end of the 4th and beginning of the 3d century B.C. and which was discovered in 1949.

Deputy Filipov said that "although separated by thousands of kilometers, Mexico and Bulgaria have common goals and struggle for our peoples' welfare and happiness and for world peace."

After stating that Todor Zhivkov, Bulgarian People's Republic State Council chairman, asked him to greet President Salinas and to wish him "success in the enormous work and responsibility he must face as Mexico's president," Filipov told Salinas that the Bulgarian people, the Bulgarian Communist Party Directorate, and the Bulgarian National Agrarian Union "are closely watching your great political changes and your efforts to solve the large and complicated problems that Mexico and the entire region face."

Filipov added: "We know that everything you do is for the well-being of your people and homeland, for Latin America as a whole, and for the world. That is why we fully support your policies and are proud of being friends of such a people, a country, and a statesman."

Authorities Arrest Alleged Drug Chief Gallardo

PA1004161389 Mexico City Red Nacional 13 Imevision Television in Spanish 1310 GMT 10 Apr 89

[Text] The Mexican Government, following the guidelines of President Carlos Salinas de Gortari's policy, has arrested Miguel Angel Felix Gallardo, the most sought-after drug trafficker in Mexico and Latin America for the past 15 years.

Agents of the Attorney General's Office captured Felix Gallardo in his home in Guadalajara, Jalisco. Felix Gallardo, together with drug trafficker Juan Ramon Matta Ballesteros, trafficked the drugs, mainly cocaine, for many years. They introduced thousands of tons of this drug into the United States. Felix Gallardo allegedly ordered the killing of DEA Agent Enrique Camarena Salazar and Alfredo Zabala Avelar, a pilot for the Agriculture and Hydraulic Resources Secretariat. Rafael Caro Quintero and Ernesto Fonseca Carrillo kidnapped Camarena Salazar and Zabala Avelar on 7 February 1985 and murdered them the following day. The bodies were apparently buried at La Primavera Park and then exhumed. They were found on El Mareno ranch in Michoacan State on 4 March 1985.

Six arrest warrants had been issued by various Mexican and foreign authorities for Felix Gallardo. Felix Gallardo is the Medellin Cartel's main contact in our country. He is 43 years old and had ties with Alberto Sicilia Falcon, with whom he served as laboratory technician for 11 years.

Felix Gallardo's arrest culminates an investigation that lasted more than 3 months [as heard], and was carried out without any confrontation.

At approximately 1200, the Attorney General's Office will hold a news conference to give details about the case.

With Felix Gallardo's arrest, one of the longest investigations, involving the most detailed work carried out by the Mexican Government against drug trafficking, comes to an end.

With this action, Salinas de Gortari's administration is clearly demonstrating the Mexican Government's firm determination to continue its constant struggle against drug trafficking.

You already know this despite the many comments constantly made abroad in certain nations by certain officials and media about Mexico's work in its struggle against drug trafficking.

We reiterate that we should not rejoice prematurely; this is part of a systematic plan by the Mexican Government against drug trafficking. The certifications and the lack of them have nothing to do with the work of the Mexican Government. It is up to the Mexican people to judge and give opinions about the Mexican Government's work. This ratifies the struggle our government is systematically carrying out every day in our country. Only Mexicans are entitled to judge this work, and yesterday's arrest is one more step, one more element to better understand the day-to-day struggle the Mexican Government is carrying out against drug trafficking.

Further on Arrest

PA1104003189 Mexico City Red Nacional 13 Imevision Television in Spanish 2130 GMT 10 Apr 89

[Report by Joaquin Raua from the Attorney General's Office in Mexico City—live]

[Text] [Raua] Good afternoon to all Mexicans. We are in the Attorney General's Office at 12 Lopez Street. Miguel Angel Felix Gallardo and the other men involved in drug trafficking were presented to the media at 1400. Only photographers and reporters were allowed to attend. It is worthwhile to note that we have learned that the operation in Guadalajara to capture the men lasted 7 minutes. Ten policemen participated in this operation. Gallardo, who was at home by himself, did not resist. He tried to bribe his captors with $5 million, but they rejected the offer and brought him to Mexico City.

When he arrived in Mexico City, Gallardo secured the protection of several commanders and officers of the Federal Highway Police, such as Ernesto Fernandez Cadena, in charge of the Mexico City detachment; Ramon Medina Carrillo, Tamaulipas regional commander; and officer Hugo Alberto Palazuelo Soto, stationed at Linares, Nuevo Leon. All of them confessed to breaking the law and were also presented to reporters. The policemen said they provided protection for Gallardo, gave him firearms and communication equipment, and let him move freely about on Mexican highways, knowing all along that Gallardo was the most sought after criminal in Mexico and abroad. The attorney general said this morning that Gallardo was Mexico's leading drug trafficker.

In addition, Andres Guerrero Cuaymea, Alberto Zuastegui Ochoa, and Jesus Rios Valdes, who were detained in Guadhey, were Gallardo's deputies and managed his considerable assets, such as the Las America Hotel, the Montreal suite, and several premises at the Mexico Commercial Square in Guadalajara. Other properties include the Delia real estate company in Culiacan, which owns three apartment buildings; a drug store; and several bank accounts, which are in the process of being confiscated.

There are other policemen involved in the case, but their names have not been disclosed so as not to hamper the investigation. Gallardo and his accomplices will be arraigned before the First Criminal District judge for several crimes including illegal weapons' possession and bribery. In his preliminary testimony, Gallardo said he received protection from several government officials during his illegal activities, and he confessed to bribing Gregorio Enrique Corzo Marin, deputy delegate in the Sinaloa State antidrug campaign. This lawyer was arrested and confessed to having received 55 million pesos from Gallardo in the past for keeping Gallardo informed about the activities of the attorney general's antidrug group. Gallardo also said that, from his hideout, he directed Sinaloa police activities by controlling Sinaloa Police Chief Arturo Moreno Espinosa, Culiacan Municipal Police Chief Robespierre Lizarraga Coronel, and others. For this reason, the Mexico City attorney general at once ordered the arrest of these disloyal officials.

The arrested men are expected to be sent to prison after midnight tonight. Any questions at the studio, Jose Luis?

[Station announcer] Yes, Joaquin. Will other people involved in this case be detained soon?

[Raua] As we have reported, nine people have been presented to reporters. Attorney General Alvaro del Castillo said at a news conference that he will release no additional information so as not to hamper the investigation. It has been unofficially reported, however, that at least 100 people will be detained.

[Station announcer] Joaquin, the money that Gallardo had with him and with which he tried to bribe those who arrested him. Was it $5 million?

[Raua] Yes, he offered $5 million to the 10 policemen, but they immediately refused the offer and brought him to Mexico City.

[Station announcer] It is interesting to me that a reporter asked the attorney general about the DEA's participation in this operation. He said we Mexicans work for Mexicans.

[Raua] Yes, he said this is a Mexican affair resolved by Mexicans and that no foreign agency was involved.

Official on Antidrug Operation With U.S.

PA1104020689 Mexico City UNOMASUNO in Spanish 6 Apr 89 p 12

[Report by Fernando Ramirez de Aguilar L.]

[Text] Javier Coello Trejo, assistant attorney general in charge of investigating and fighting drug trafficking, reported yesterday that an operation has begun on the U.S. border with 85 checkpoints at strategic places along the 3,326-km border. This 45-day operation—which could be extended—includes personnel from the PGR [Attorney General's Office], the National Defense Secretariat, the Navy Secretariat, the Customs Office, and the Federal Highway Police.

Interviewed in his office, Coello Trejo said this operation, which is also under way in the United States, is part of a bilateral agreement signed by the two nations. He denied that it is being carried out "in response to alleged pressure."

Coello Trejo explained that so far in this administration, the government has seized, according to the Permanent Campaign Against Drug Trafficking, a record amount of pure cocaine: 5.5 tons, which, if it is cut seven times, can yield 35 tons. In addition, the government has seized approximately 7 billion pesos, which has been turned over to the Finance and Public Credit Secretariat.

Coello Trejo, a former Attorney General's Office agent and former government secretary in Chiapas State, added that Mexican and U.S. authorities are willing to attack drug trafficking. He noted that this important joint operation, which involves approximately 3,000 public workers, is being carried out from Tijuana to Matamoros.

He denied that there are Mexican businessmen surreptitiously involved in drug trafficking. He noted: "What actually happens is that there are drug traffickers who are trying to pass themselves off as businessmen."

The official, who was accompanied by PGR Information Director Fernando Arias Perez, explained the border operation:

"It is a surveillance system that is under way from Tijuana to Matamoros. It consists of 24-hour surveillance by land, air, and sea to discover secret landing strips and drug trafficking routes. It also includes aerial surveillance of 20 nautical miles of our territorial waters to discover and fight drug trafficking. In order to accomplish this, the government is using 8 helicopters, 2 airplanes, 20 light planes, and an undetermined number of vehicles and weapons."

"This operation," he stressed, "is aimed at closing ground and air routes to drug traffickers, as well as to stop the flow of drugs to the United States. U.S. officials are carrying out a similar operation in that country. Obviously, this is a very ambitious operation that has never before been carried out in Mexico or any other country. We have had excellent results in the 6 days—it started on 1 April—since it has been in progress. We have seized more than 1 ton of cocaine, many tons of marijuana, a few kilograms of opium paste, several tank trucks full of turbosina [not further identified], several weapons, vehicles, and aircraft. ...hopefully the results will continue to improve."

Coello Trejo said that the PGR assigned Judicial Police and Federal Attorney General's Office agents to this operation, which also includes pilots, navigators, and maintenance personnel who are supported by troops from the National Defense and Navy Secretariats and members of the Federal Highway Police, as well as judicial and other officials of border states and municipalities. Immigration and customs personnel are also helping in this program, but to a lesser degree.

Coello Trejo asked society in general to help federal authorities fight drug trafficking by reporting those who are involved in it. He said that the "main goal of this operation is to fight for Mexicans' health."

Drug Fight To Cost 122 Billion Pesos in 1989

PA1004200089 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 10 Apr 89

[Text] The Mexican Government will spend over 122 billion pesos to fight drug trafficking in 1989.

Those funds will support the various operations conducted by the Attorney General's Office throughout the country.

The 1989 budget to fight drug trafficking was increased 174 percent compared to the 1988 budget, in which the Mexican Government allocated 44 billion pesos to the struggle against drug trafficking.

The increase in the budget to fight drug trafficking becomes even more important if we consider the financial crisis the country is experiencing. However, the increase respects President Carlos Salinas de Gortari's consideration of drug trafficking as a priority problem.

Army Destroys Poppy Plants; Seizes Weapons

PA1004172089 Mexico City UNOMASUNO in Spanish 31 Mar 89 p 11

[Summary] The National Defense Secretariat has reported that in the past 10 days the Army destroyed 4,937 poppy patches and 1,069 marijuana patches, seized 81 weapons and 4 vehicles, arrested 31 alleged drug traffickers, and killed 3 alleged drug traffickers in confrontations involving soldiers.

Costa Rica

Arias Reports on Visit to U.S., Canada

PA1104040989 San Jose Radio Reloj in Spanish 0117 GMT 11 Apr 89

["Report" by President Oscar Arias on the results of his visits to the United States and Canada; at the Juan Santamaria Airport in San Jose on 10 April 1989—live or recorded]

[Text] As you know, there has been a drastic change in U.S. policy in Central America. In essence, the Costa Rican peace plan has been given an opportunity and there is confidence in the power of dialogue as the best way to resolve the area conflicts. Generally speaking, and in regard to bilateral affairs, my trip to Washington and Canada has proved most productive. I am happy because Central American topics were discussed almost exclusively in the past and there was not always a chance to talk in depth about our country's problems. We agreed that our talks would basically deal with Costa Rican problems, so this time I had the chance to go into these problems and their possible solutions in depth.

First of all, with both President George Bush in Washington and Prime Minister Brian Mulroney in Canada, one of the main topics discussed was future economic aid for Costa Rica. Our country will have the support of both nations in our efforts to fight underdevelopment. In an unprecedented move, Canada has agreed to donate $25 million to Costa Rica. We talked with many businessmen in the two countries and tried to interest them in investing in many areas, such as agriculture, industry, and tourism. These men see Costa Rica as a country that offers the economic conditions and the profitability that any investment requires. In addition, however, they see our political stability, social peace, and confidence in the near future, all of which are essential for investors.

In Canada I discussed the need to increase tourism even more and the possibility of the Costa Rican airline flying directly to some Canadian cities through an agreement with Canadian airlines.

In both countries, I talked about Costa Rica's commitment to fight drug trafficking. This struggle deals with drug consumption and the need to prevent our territory from being used by the international mafia for drug trafficking. Both countries agreed to help us in everything we might need for this struggle. I was very encouraged because, in talks with President Bush, I heard him say that he has been getting as much cooperation from the Costa Rican Government as any other Latin American country. It is important for me to hear words of praise for our cooperation with the Drug Enforcement Agency and with the authorities in general who are engaged in the antidrug struggle to put an end to this evil that undermines our society.

I also spoke with Prime Minister Mulroney about this, though drugs are less of a problem in Canada. This does not mean that I intend to belittle the problem. Most of the drugs that pass through Costa Rica from South American countries end up in the United States and do not necessarily reach the Canadian market.

I have left for the end what I regard as the most important, that is, the offer to help us refinance our foreign debt. The IMF was most helpful. As you know, we and the IMF have reached an agreement, which the IMF Board of Directors might hear and approve in a few days. This opens the door so friendly countries can help Costa Rica refinance its $1.6 billion foreign debt, the market value of which is approximately $250 million, as has been reported to me. What really counts is that we will have in the IMF a sort of catalyst [catalizador], which will help us, will become a sort of advocate for our country, so to speak, to help us refinance our debt by seeking money from various places, knocking on many doors, and requesting that banks be flexible so—because Costa Rica is involved—they can arrange negotiations and debtors and creditors can reach agreements.

President Bush has offered to continue these talks on a more technical level with Treasury Secretary Nicholas Brady. To this end, we will make arrangements for a meeting between Central Bank President Eduardo Lizano and Treasury Minister Fernando Naranjo on one hand and Brady on the other.

Prime Minister Mulroney also offered all kinds of assistance through Canadian banks. Of the $1.6 billion foreign debt, Costa Rica owes approximately $160 million, or 10 percent, to Canadian commercial banks. In addition, we have to report on something that is very positive for Costa Rica, because [words indistinct] Costa Rica is what it is. They want to make Costa Rica a kind of model, a sort of example for the rest of the world, not only for Latin America but for the undeveloped debtor world as well.

And this is because of what Costa Rica and its values represent in the world. Furthermore, Costa Rica's debt is relatively low compared to the most deeply indebted countries in our Latin American subcontinent. So this trip has been very fruitful for me and Costa Rica, despite the grief that the Costa Rican people are feeling as a result of the illness of Don Pepe [former Costa Rican President Jose Figueres]. I have been in regular contact with his relatives and friends. My brother Rodrigo has kept me up to date on Figueres' health. I understand he has improved in the past few hours. We have suffered with all of Costa Rica because Figueres has won for himself the love and admiration of all our people and Latin America in general. I am happy he is much better.

El Salvador

Duarte To Resume Duties 'Gradually'

PA1004124589 San Salvador Radio Cadena YSKL in Spanish 1207 GMT 10 Apr 89

[Text] President Jose Napoleon Duarte is to resume his duties as head of the Executive Branch after overcoming last week's health problems. President Duarte's doctors said that he will gradually resume his presidential duties following his recovery from an inflammation suffered on Thursday, as a result of chemotherapy treatments he is receiving.

Vice President Rodolfo Castillo Claramount on Thursday assumed responsibility as head of the Executive Branch in view of President Duarte's illness.

According to President Duarte's doctors, he will again travel to the United States to undergo new examinations to determine the extent of his liver cancer.

Radio Venceremos on New Peace Proposal

PA1004211389 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Apr 89

[Station commentary: "A New Peace Proposal"]

[Text] On 6 April, the Farabundo Marti National Liberation Front [FMLN] issued a new peace initiative. The new proposal represents the aspirations of the national majority. Therefore the proposal is viable and its acceptance is necessary.

The main problem in the country is the war, and the war will not end until the causes of the war disappear. Peace will not be produced by a cease-fire. When rifles are silenced as a result of a truce, this silence can easily be broken. As long as there are thousands of landless peasants who endure extreme poverty, as long as an unjust distribution of wealth exists, as long as an Army that claims for its own use more than half of the national budget is not purged and does not limit its function to the defense of sovereignty, as long as elections are fraudulent, and as long as there is no social justice and democracy, El Salvador will be—as Colonel Vargas has said—a powder keg that could explode at any moment.

ARENA [Nationalist Republican Alliance] does not represent the will of the majority. It is absurd to believe that the assassins of Msgr Romero and of tens of thousands of peasants would be elected by the people.

We are not masochists. As the proposal states, ARENA has two options: either it intensifies the war, or it declares that it will be a transitional government to establish peace. The FMLN is offering a new electoral peace alternative. We can discuss our proposal, but ARENA must stop its repression. It is intolerable how repression has increased since the 19 March elections.

The conditions the FMLN has called for to allow for its direct participation in the elections or its participation through a coalition with other parties are election conditions that are guaranteed in all democratic countries throughout the world. We are certain that we would win in a truly democratic election process. We are certain that we have majority support.

If ARENA does not believe that, if it does not believe that its victory is illegitimate, then let it demonstrate its legitimacy. The new proposal provides an excellent opportunity for demonstrating that. If ARENA does not accept this peace initiative, it will be advocating war. Objectively speaking and taking the national and international situation into account, this is a war ARENA will lose.

Ponce on FMLN Use of Terror, Offensives

PA1004200289 San Salvador EL MUNDO in Spanish 6 Apr 89 p 7

[Text] Armed Forces Chief of Staff Colonel Rene Emilio Ponce said today that the FMLN [Farabundo Marti National Liberation Front] is now using terror as a form of aggression and that the two failed offensives launched against the people are pushing the people to the limits of their endurance. Ponce recalled that the FMLN's military offensive was defeated by the capable Armed Forces, and its political offensive was countered by the people through a historic demonstration of the democratic process on election day.

The military commander made statements to the media on the increase in guerrilla violence over the past few days, which has sown death and destruction in several parts of the country.

Col Ponce said: "In view of the guerrillas' defeat, which they will not overcome, their leaders have decided to wage a campaign of terror to pressure the new government into holding a dialogue and negotiations, which they have been seeking for a long time. They cannot bear the fact that the Salvadoran people—whom the Armed Forces support 24 hours a day—turned their backs on them when they called for a boycott of the 19 March elections. Devoid of popular support, as they now are, and angry because of all their defeats, the FMLN has increased violence and is spreading terror in hopes that in this way they will recover lost ground. In fact, they are losing everything."

Regarding the sitatuation in various regions—especially those viewed as strife-torn—Col Ponce said that the Armed Forces intend "to confront those who do not believe in democracy, liberty, justice, human rights, and the people's well-being and peace."

He said: "We are prepared to sacrifice our lives if necessary to defend liberty and democracy, which made much progress in the recent elections. We believe that the path toward peace will be opened, because even if the

guerrillas do not contribute to that process, they have to realize that peace is a legitimate right of the people. Terror is not the way; it only increases the people's suffering."

FPL Leader Arrested; Details Planned Activities

PA1004191589 San Salvador DIARIO LATINO in Spanish 5 Apr 89 p 5

[Text] The National Guard has remanded Luis Rafael Molina Diaz, alias Moises, squadron chief of the Farabundo Marti People's Liberation Forces' [FPL] "Juan Castro" Urban Commando Units, to the city's 2d Penal Court.

The National Guard reports that Molina Diaz was arrested on 31 March, near the Jardines de la Hacienda neighborhood, Antiguo Cuscatlan Municipality, La Libertad Department.

The same report explains that during cross-examination, Luis Rafael Molina Diaz provided information concerning his age, which is 32, and his hometown in Olocuilta Municipality, La Paz Department. The report adds that Molina Diaz has been with the FPL for 10 years and that he is a member of the General Association of Finance Ministry Employees [AGEMHA], where he is in charge of agitating the masses, particularly public workers, and of enlisting new members in the National Union of Salvadoran Workers [UNTS].

The same report adds that on many occasions Molina Diaz has carried out specific terrorist tasks, such as placing bombs in various parts of the capital.

During the cross-examination, Moises explained that an individual codenamed "Carlos" taught him how to use propaganda tactics to stir up the students. Molina Diaz said that his military training started in 1980, adding that he was also assigned the task of organizing and preparing propaganda.

Molina Diaz explained that his military training took place at the National University Schools of Economy and Engineering, and that 15 other individuals, who covered their faces with bandannas to keep their identities from one another, received the same training.

Moises said that in 1985, the FPL assigned the organization of a militia column named "Giovanni Quezada" to a man codenamed Raul and two of his colleagues, a man and a woman codenamed Octavio and Norma, respectively. Molina Diaz further explained that squads composed of four or five members of the militia column divided up the San Salvador metropolitan area into four subzones, which would then become the targets of their activities.

The National Guard report said that Moises revealed that the subversive plans include intimidating or threatening public officials and their relatives by means of telephone calls, leaflets, or letters directly addressed to the officials.

Moreover, the National Guard reported that at the time of his arrest, Molina Diaz was carrying two letters and a handwritten note. The authorities explained that the two letters were to be sent surreptitiously, on behalf of the FMLN, to Finance Ministry officials Evert G. Vargas, administrative director, and Manuel Estrada Salinas, director of graphic services. The FMLN letters asked the two public officials to resign in exchange for their lives. The handwritten note was to be sent to Interior Ministry official Fredy Rodriguez, demanding medical and food supplies under the same terms.

FMLN Reports 5-6 April Military Actions

PA1004191289

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 7 April broadcasts 4 minutes of military reports, including clashes between Salvadoran Army troops and Farabundo Marti National Liberation Front [FMLN] guerrillas that took place between 5 and 6 April.

The first report, coming from the FMLN's eastern Francisco Sanchez Front states that FMLN guerrilla units attacked a section of Fonseca Battalion's Military Detachment No. 3 at El Quilesemate, La Union Department, at 1700 on 6 April, killing or wounding 10 Army troops.

"In addition, our units seized the following war materiel: 3 M-16 rifles and their respective equipment, 3 backpacks, 1,150 5.56-mm cartridges, 1 cartridge belt for M-16 machineguns, 6 grenades for M-79 grenade launchers, 15 cartridge clips for M-60 machineguns, and other materiel."

The second and last report says FMLN clandestine guerrillas detonated bombs in Poloros, La Union Department, at 0400 on 5 April.

The same report adds that FMLN units attacked a Military Detachment No 4 commando company near Moyolo Hill, Meanguera Jurisdiction, Morazan Department, at 1700 on 6 April, inflicting five "confirmed" casualties. "In addition, the FMLN seized three M-16 rifles and four backpacks."

FMLN Attacks Coffee Processing Plant

PA1104040389 San Salvador Canal Doce Television in Spanish 0310 GMT 11 Apr 89

[Excerpts] The El Rosario coffee processing plant in Comasagua, La Libertad Department, was attacked today at noon by the Farabundo Marti National Liberation Front [FMLN]. During the attack, five Civil

Defense members were wounded and the local police station was destroyed. According to area residents, only (?six) rebels attacked and destroyed the police station. [passage omitted]

The El Rosario coffee processing plant is owned by [words indistinct]. The rebels' attack on the plant lasted approximately 30 minutes. They withdrew when Cavalry Regiment soldiers arrived. [passage omitted]

Guatemala

Adviser Denies Reports of Military Uprising

PA1104022089 Panama City ACAN in Spanish 0130 GMT 11 Apr 89

[Text] Guatemala City, 10 Apr (ACAN-EFE)—Official sources denied today that there has been a military uprising against the Christian Democratic administration of President Vinicio Cerezo, as two local radio stations announced this morning.

Presidential Adviser Julio Santos roundly denied the reports, terming them "false," and added that "a soccer game is currently under way" in the military zone where the stations claimed that the uprising had taken place.

"Emisoras Unidas" and "Guatemala Flash" [Guatemala Flash is the name of a newscast aired by Emisoras Unidas] announced this morning that soldiers in the area of Coban, some 200 km from the capital, had rebelled against the government today.

Santos said that this was just a "rumor spread by certain politicians who do not want Guatemala to enjoy stability."

On 11 May 1988, there was an attempted coup d'etat against Cerezo when soldiers in two military zones in the interior of the country rebelled. Troops loyal to President Cerezo put down the coup attempt.

Shortly after the incident, Defense Minister General Hector Alejandro Gramajo—who played a leading role in quashing the May rebellion—assured the people that President Vinicio Cerezo "will complete his term," and that the Army "supports and will continue to support this government, because it was legitimately elected by the people."

Honduras

Azcona 'Optimistic' on Nicaraguan Solution

PA1004174789 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 10 Apr 89

[Report on interview with President Jose Azcona by Allan Roy Arthur on 10 April; place not given—recorded]

[Text] [Arthur] Will you directly participate in the campaign when it officially begins?

[Azcona] I will not directly participate. I am the president of all Hondurans, but I cannot forget my liberal ideologies and my position as a Honduran Liberal Party [PLH] member. I will help as much as I can, but I will not directly participate in the campaign.

[Arthur] That has not been the traditional thing to do.

[Azcona] I am supporting the PLH candidate. I will not participate in rallies and will not deliver speeches. That is what I call direct participation; I will not do that. However, I will support the party as much as I can, as a person and as a party activist. I will support the candidate who won the primary elections. It is the duty of all Liberals to support him.

[Arthur] Mr President, what do you think is the role that should be played by those who [words indistinct], what role?

[Azcona] They must be on his side; they must participate in the meetings and in the official party meetings. They have already done it; there is no doubt about that. They should express their support for the candidate. It was a clean struggle in which a candidate won, and the others have the duty to support him.

[Arthur] The Honduran president admits the opposition, especially the National Party, will continue to attack the PLH, but it will not adversely affect his party in the November elections.

[Azcona] They cannot say much. We should remember who were the presidents of the National Investment Corporation [CONADI]. Who organized CONADI? Who opened the way for that monster called (?Cortino)? There are a lot of things. When did the fiscal deficits begin? Who were the economy and finance ministers then? The Honduran people will draw their own conclusions. They will not say the liberal governments have been magnificent. It does not bother me if one does not say that. I believe an agreement should be reached so the election campaign does not lead to personal attacks and insults. I believe an agreement would be good. We would be setting an example for the entire world. You should not forget that throughout the world and in more advanced countries, election campaigns are very tough and there are personal attacks. If we are able to conduct a campaign without personal attacks, we would be near the top of world political evolution, which would be good. I believe an agreement should be reached for a clean campaign. However, if the opposition candidate says liberal governments have not solved problems, that is normal. The Honduran people will not believe that.

[Arthur] We talked with the president about the effects on Central America of Mikhail Gorbachev's visit to Cuba.

[Azcona] I believe Mr Gorbachev is honest in his decision to conduct a restructuring in the USSR, and it will undoubtedly affect Cuba, because it is a very closed regime. Cuba will have to begin opening up. We heard the speech in which he said we have to keep up with the changing times. It will necessarily be a favorable visit.

[Arthur] Speaking of regional problems, what is your view on the status of the peace plan?

[Azcona] For the first time I believe many countries, including the United States, are heading in the right direction. It concerns us that Nicaraguan President Ortega does not understand it that way and wants to avoid a political solution, but I think he and his government would gain the most. That concerns us, because the aid to the Nicaraguan counterrevolutionaries is primarily aimed at keeping those people from posing a danger to a country like Honduras. Second, it aims at allowing them to demobilize and go from the status of fighters to the status of members of political parties operating in Nicaragua. That is a political solution. What do we want? Do we want absolute power or do we want to give peace and democracy a chance? That is why I am a little concerned by President Ortega's stance in this regard. The one who would gain the most by a detente would be him.

[Arthur] Mr President, Honduran Ambassador to Nicaragua Colonel Efrain Gonzalez [title as heard] is saying Nicaragua is observing the terms of the agreement.

[Azcona] The release of the former guardsmen is a form of compliance. However, we are not going to applaud it, because keeping 1,900 persons in jail for 10 years....[changes thought] I do not think all of those 1,900 were murderers; most were poor people who had served in Somoza's National Guard. I suppose most did not ideologically support the ultraright or anything like that. They were men who were drafted and served. They spent 10 years in jail, not 3 days. This matter....[changes thought] Correcting that situation certainly deserves some recognition; however, we do not feel any government deserves an award for that. There are no political prisoners here. We have released all such prisoners we had in jail. We have granted amnesty on political matters (?twice) during this administration. Therefore, I am moderately optimistic to a certain extent about the possibility of reaching a political solution to Nicaragua's problem.

2,000 Protestors March on U.S. Embassy 7 April

PA1004213689 San Pedro Sula TIEMPO in Spanish 8 Apr 89 p 2

[Text] Tegucigalpa—More than 2,000 demonstrators who marched to the U.S. Embassy yesterday were stopped 500 meters from the building by approximately 200 riot policemen, who arrested and beat a worker.

Despite intense propaganda by the electronic media, which was sponsored by the Honduran Armed Forces and which asked citizens to refrain from participating in the march, thousands of people showed up.

The demonstration, sponsored by the Coordinating Committee of Popular Organizations (CCOOP), the Honduran United Workers Federation (FUTH), and the Francisco Morazan Patriotic Committee (CPFM), got under way at 1600 to commemorate the 1st anniversary of the violation of the Constitution, which ended with the burning of U.S. Embassy [facilities].

Since early yesterday, hundreds of Armed Forces units have gathered in front of U.S. Embassy buildings in different parts of Tegucigalpa and Comayaguela.

The National Autonomous University of Honduras (UNAH) and other schools in the capital suspended activities to prevent situations from developing such as those of last 7 April, in which two demonstrators were killed by diplomatic security guards in front of the U.S. Embassy, according to witnesses who took part in the march.

Honduran Air Force helicopters flew over downtown Tegucigalpa, while dozens of police cars guarded the peaceful demonstration to prevent "vandalism from being committed," according to the Armed Forces.

The demonstration left El Obelisco park at 1600 and stopped at the northern side of Mallol Bridge, at the southeast wing of the presidential palace, where more than 2,000 marchers sang the national anthem.

At 1715, the demonstrators crossed Central Park toward the U.S. Embassy. However, as the marchers approached Guanacaste Bridge, at least 200 riot policemen stood by.

The military troops cordoned off access to the U.S. Embassy. The demonstrators protested in front of the building and burned several U.S. flags and a coffin covered with a U.S. flag.

Dozens of curious onlookers and journalists observed the demonstration from the terrace of a school that is under construction. A brick fell near police units posted there. The riot policemen became frightened and removed the people. A humble worker, identified as Marco Tulio Mencia, was arrested by national investigation policemen who beat him savagely.

At lest 20 members of the investigations corps arrested Mencia. After handcuffing him, they made him get in a red Ford Courier pickup, with license plate 90344.

The security guards prevented journalists, particularly cameramen, from doing their work. Victor Sauceda, a photographer for a city newspaper, had his camera destroyed.

On seeing that they could not go to the U.S. Embassy, the marchers returned to Central Park where they continued their protest rally.

The demonstrators also charged that during their march, several members of the National Department of Investigations and the 3-16 Battalion infiltrated the march to "get names for their blacklist."

*** INA To Grant Land to 50,000 Peasant Families**
32480097a San Pedro Sula TIEMPO in Spanish
14 Jan 89 p 14

[Text] Tegucigalpa—The National Agrarian Institute (INA) will grant financial assistance to peasant groups in the amount of 5 million lempiras, will turn over 30,000 manzanas of land, and will grand title deeds to about 50,000 families this year, it was reported yesterday.

INA Director Raul Flores Gomez met with the various regional chiefs to study the working plan that this agency will pursue in 1989.

The financial assistance and the grants of land and titles are the key points to be developed this year, stated Flores Gomez.

The official added that one objective is to boost productivity at the national level, and that plans call for a productivity level of 40 quintals [1 quintal equals 46 kg] of basic grains per manzana. The present rate is 20 quintals per manzana.

Flores Gomez said that one of the main problems the INA will face this year is the reduction of its budget to 21 million lempiras, of which 18 million is earmarked for wages and salaries.

It was reported that due to this situation, this year the INA will seek to collect the debt of 28.9 million lempiras that several peasant organizations owe it for the payment of land.

Jose Hipp Fernandez, regional INA director in San Pedro Sula, stated that it is hoped that the 5 million lempiras lent to peasant groups will yield 4 million lempiras in payments by the end of the year.

He also pointed out that a strategy for obtaining fertilizers, herbicides, and pesticides through the National Agricultural Development Bank (BANADESA) has already been worked out, considering that one of the causes for the low productivity is the lack of these products on the national market.

*** 94 Percent of INA Funds Spent on Wages**
32480097b San Pedro Sula TIEMPO in Spanish
14 Jan 89 p 14

[Text] San Pedro Sula—The National Association of Honduran Peasants (ANACH) has called for the dissolution of the National Agrarian Institute (INA) on a radio program.

Luis German Lagos, president of the peasant organization, contended that at present the INA only serves the interests of the ruling party's political clientele, not those of agrarian reform.

He emphasized this assertion by complaining that 94 percent of the INA's budget of 20 million lempiras is used to cover the salaries and wages of the institution's employees.

Lagos argued that the INA has 2,000 full-time employees whose work could be done by a minimum of 300 and a maximum of 400 employees throughout the country.

He also complained that "in this country everyone takes advantage of the peasant groups to fulfill their aspirations, both political and economic."

He asserted that everyone from liberal professionals such as attorneys to farm machinery and equipment distributors to President Azcona Hoyo is taking advantage of the "good faith" of the peasants to achieve some personal goal.

Lagos indicated that even Gautama Fonseca Zuniga is using the agrarian reform process to receive subsidies from abroad. Going into more detail in his accusation, Lagos said that the IVO Foundation of Holland sends money to Gautama Fonseca Zuniga.

The president of the ANACH also declared that some farm machinery and equipment distributorships have derived more benefit from agrarian reform than have the peasants themselves.

Later on he stated that even the current president of Honduras got where he is today thanks to a pact signed by the workers and peasants with the backing of the armed forces, and now Azcona is giving the cold shoulder to those who put him in the presidency.

"Most of the people in the INA do not know what to do there, so the best thing to do is eliminate the INA and create another institution that will not just serve the interests of politicians," stated the president of the ANACH.

Nicaragua

Station Criticizes Gorbachev's Speech in Havana

PA1004205689 Managua Radio Corporacion in Spanish 0400 GMT 7 Apr 89

[Station commentary]

[Text] Soviet leader Mikhail Gorbachev's statements in Havana, Cuba, were disappointing regarding the Nicaraguan situation and his intention of conducting a unilateral policy toward us.

While the entire world, while the civilized nations of the world applauded the new U.S. Government policy toward Central America, Gorbachev, who has also been applauded for his perestroyka and glasnost, lectured the United States for the $4.5-million-per-month humanitarian aid approved for the Nicaraguan Resistance [RN]. We learned of that approval through U.S. Government official statements. As the popular saying goes: What is good for the goose is good for the gander. If Mikhail Gorbachev wants the United States to take its hands off Central America—especially off Nicaragua—the Soviet Union must do the same. The Soviet Union recently sent a shipment of helicopter gunships to the Sandinists. However, we did not learn of that delivery through Soviet official statements.

We do not think this gift of marvelous and deadly little toys will be used to go touring on weekends or for Nicaraguans to get to know their country while taking rides on them. Those flying elephants will be used to kill and to crush all those who dare stand up to demand freedom.

The world's most important newspapers applauded the new Bush government's policy, and the only harsh criticism came from someone who has no right to make it. Gorbachev is throwing stones at somebody else's house while living in a glass house himself.

How can he dare demand what he himself has been unable to deliver? If the question is to persuade the opponent, the logical and normal thing to do would be to set an example that could be imitated by the opponent. Mikhail Gorbachev, however, gives advice but does not listen to it himself.

Unfortunately for our nations, we are puppets in the hands of skillful puppeteers who lead us by the nose without even bothering to ask us what we would like, what we want, or whether we are happy with the bloodshed we have been experiencing for so many years.

Mikhail Gorbachev holds forth his tiresome speech before friends of his who have subjugated the Cuban people for 30 long years, and he is heavily applauded as if he had said the last word the world would ever hear.

As is often said, Gorbachev gave six of one and half a dozen of the other. Gorbachev introduced perestroyka, glasnost, and the changes that will take his people out of the stagnation in which they sunk since 1917 when the Bolshevik Revolution came to power. Meanwhile, he has given us bullets, sticks, and helicopters that will tear us to pieces.

We thought detente had reached all spheres and fields, but obviously that is not true, as the blind man said. The humanitarian aid for the RN bothers Gorbachev, but he loves sending deadly toys to his friends.

Gentlemen, please stop being merciless with these poor and long-suffering peoples. Stop playing with our lives and future. You must understand you do not have the right to end other people's lives. It is time for you to begin respecting us and treat us as human beings and not as laboratory rats.

How can one be engaged in talks to eliminate nuclear weapons and plans to freeze the creation of destructive weapons that threaten the great world powers and yet send lethal weapons to subjugate small nations?

When will the disastrous international organizations raise their hands to stop those incongruities? What are the OAS and the United Nations truly doing for the world's welfare? Why do they see the mote in another's eye and not the beam in their own?

Let everybody be given the same treatment. If the United States stops supporting the RN, the Soviet Union must stop its aid so peace truly reaches our region and fratricide ends.

Mr Gorbachev, you hit us like a ton of bricks. We thought you were serious when you talked about peace. Stop the demagogy.

Thank you very much.

Honduras Reportedly Attacks Border Area

PA1004123689 Managua Radio Sandino in Spanish 1205 GMT 10 Apr 89

[Text] A Military Patriotic Service [SMP] youth was killed and a second one injured during a Honduran Army attack at El Paso Naranjo, Somotillo, Chinandega Department.

The Nicaraguan Defense Ministry reported that a Honduran Army patrol attacked a Nicaraguan border patrol unit yesterday morning when the Nicaraguan unit was conducting its routine patrols.

The Honduran troops used M-16 rifle fire, heavy and light machineguns, and M-79 grenade launchers, killing SMP youth Jesus Mendez and wounding SMP youth Andres Santana Martinez.

President Criticizes Cristiani, U.S. Contra Aid

PA1004132889 Managua Radio Sandino in Spanish 1221 GMT 10 Apr 89

[Excerpt] During the inauguration of the Asturias Hydroelectric Plant located 190 km from Managua, President Ortega revealed the existence of a plan created by Salvadoran President-elect Alfredo Cristiani through which he intends to go against the agreements signed by the five Central American presidents.

During the same ceremony, President Ortega said that the new Salvadoran administration will try to destroy the Costa del Sol agreement signed in El Salvador on 14 February.

[Begin Ortega recording, in progress] ...of the new Salvadoran Government. The new ARENA [Nationalist Republican Alliance] government will be composed of people who have been accused by Salvadoran humanitarian organizations of violating human rights, of participating in the murder of Msgr Arnulfo Romero and of thousands of Salvadorans, including over 600 Christian Democratic Party militants.

We are concerned about that, because we already have received information that the position of the new Salvadoran Government headed by Alfredo Cristiani will not be a Christian one. In other words, its position will not be consistent with the agreement signed by President Duarte in El Salvador. The new Salvadoran Government will question the agreement because it disagrees with what was signed in Costa del Sol, El Salvador, on 14 February.

We learned that at the next Central American summit—in which Cristiani will participate—El Salvador will not recognize the agreement signed in Costa del Sol and will try to sabotage and destroy that agreement and the Central American peace process. [end recording]

President Ortega added that the new Salvadoran Government will try to link the Nicaraguan counterrevolution and the Salvadoran revolutionary movement, and then to propose that the demobilization of the Farabundo Marti National Liberation Front [FMLN] be negotiated in exchange for the demobilization of the Nicaraguan counterrevolutionaries.

Ortega said that the FMLN is not in Nicaragua and challenged El Salvador to tell us what FMLN camps they found outside El Salvador. The FMLN is fighting inside its country, whereas the contras are living in camps in Honduras, Ortega added.

President Ortega said that the U.S. Administration's policy toward Central America is contradictory, because it claims to support the Salvadoran agreement while it approves funds for the counterrevolutionaries. The U.S. Congress has the opportunity to approve more humanitarian aid to help demobilize the contras, who are now in Honduran territory, Ortega said.

Commander Ortega said that most contras living abroad want to return to Nicaragua, but they are held in contra camps; only those with direct links to the Somoza regime refuse to return, he explained.

Ortega reiterated that the aid the U.S. Government will send to support the contras could be used to build houses and to create jobs in Nicaragua for the contras once they return to Nicaragua. [passage omitted]

Ortega Sends Greetings to Hungarian Leader

PA1104024889 Managua BARRICADA in Spanish 7 Apr 89 p 6

[Message from President Daniel Ortega to Hungarian President Bruno Straub on the occasion of the 44th anniversary of the Hungarian revolution]

[Text]
Managua, 30 March 1989
Your Excellency
Bruno Straub
President, Presidential Council
Hungarian People's Republic
Budapest

On behalf of the Nicaraguan Government and people and in my name, I wish to express our warmest greetings on the occasion of the commemoration on 4 April of the 44th anniversary of the liberation of the Hungarian People's Republic.

Our bilateral relations have grown stronger every year as a result of our revolutions. This is an apt occasion to reaffirm our ties of friendship and cooperation.

The commemoration of this important date also constitutes a symbol of the people's struggle worldwide to defend and preserve the inalienable rights of independence, freedom, self-determination, and peace.
Fraternally,
Daniel Ortega Saavedra
President of the Republic of Nicaragua

PCD's Molina, FSLN's Carrion on Elections

PA1004214289 Managua Radio Sandino in Spanish 1255 GMT 10 Apr 89

[Text] What is the political parties' advantage in the elections? Democratic Conservative Party [PCD] leader Eduardo Molina and FSLN [Sandinist National Liberation Front] Commander Luis Carrion discussed the election process. Dr Eduardo Molina, leader of the opposition PCD, said that the FSLN will lose the February 1990 elections.

[Begin Molina recording] I believe—and I have told the media this—that the FSLN will receive approximately 400,000 votes and the opposition will receive approximately 800,000 votes at the next elections. We can speculate on two political options. If the opposition is united, I believe that the FSLN could be defeated. However, if the opposition is divided, then there would be a division of power. The Legislative Assembly would be in the hands of the opposition and the FSLN would remain in control of the Executive Branch. This would bring about a difficult government for the FSLN during the period 1997-98, and the opposition would have the chance to amend the Constitution—because it would then control the Legislative Assembly—and even shorten the length of the presidential term. [end recording]

FSLN National Directorate member Commander Luis Carrion Cruz said that the opposition's dream will not be realized because the FSLN is the party trusted by the people.

[Begin Carrion recording] Those are the dreams of the rightist opposition groups. They are dreaming, because it is certain that the FSLN will win the 1990 elections because, contrary to what they are saying, it is the party that the Nicaraguan workers trust. Therefore, there is no doubt that we will win the elections. [end recording]

RN, Opposition Parties Resume Meetings

PA1004143789 Panama City ACAN in Spanish 1312 GMT 10 Apr 89

[Text] Guatemala City, (ACAN-EFE)—Nicaraguan contra leaders and representatives of the 14 Nicaraguan opposition parties began their 2d day of meetings here in Guatemala to try to unite the forces opposing the Sandinist regime with a view to the upcoming elections.

Although not all the participants share the same optimism regarding their possible participation in the elections scheduled for 25 February 1990, during their 1st day of meetings, most of them agreed on the need to create a common platform to confront the Sandinist regime at the elections.

Adolfo Calero, one of the most outstanding leaders of the Nicaraguan Resistance [RN], told ACAN-EFE: "We will form a broad opposition front."

Calero harshly criticized what he described as President Daniel Ortega's "noncompliance" with the democratization process, although he expressed his desire to participate in the elections, "despite their great faults."

Conservative Party leader Silviano Matamoros, who has just arrived from Managua, described the objectives of the Guatemalan meeting. Matamoros stressed the need "to unite forces against the Sandinist government."

Other leaders, such as contra military chief Commander Enrique Bermudez, expressed reservations regarding the possibility of participating in the elections and pointed to the danger of "all of us going like sheep to attend Ortega's circus."

Bermudez, however, reiterated that "the contra movement will not conduct military actions until after the elections." He said that the perseverance of the contra movement will "guarantee" the elections.

Calero, who is currently living in Miami, said that "we must leave the final decision about our participation in the elections up to the internal opposition."

The opposition is currently divided, not only among the many parties, but also among those who operate in exile and inside Nicaragua—whether within the National Assembly or outside of it.

Both those in exile and those inside Nicaragua have experienced frequent divisions that have led to the existence of 19 opposition organizations, which range from parties allied with the former regime to communist parties.

This is why several participants described as "historic" yesterday's and today's meeting in Guatemala, where the 14 major opposition parties met for the first time and in an official capacity with the contra groups.

During the meeting, all participants denounced President Daniel Ortega's "noncompliance" with the commitments made at the Salvadoran presidents meeting, where it was agreed that Nicaragua would hold elections "before 25 February," following the implementation of democratic reforms.

(At the summit held on 13 and 14 February in San Salvador, the simultaneous dismantling of the contras in exchange for democratization concessions was agreed upon.)

The opposition specified that by noncompliance it means the absence of a total amnesty—Ortega released almost 2,000 former Somoza guards on 19 March—the existence of an Electoral Council dominated by a Sandinist majority, and the lack of opposition access to the major television station.

"The Electoral Law reform Ortega introduced guarantees the Sandinists a majority in handling the entire election process," Calero charged. He is one of the contra leaders who, despite everything, is most inclined to participate in the elections.

Most of the participants said that the Guatemala meeting will not discuss the selection of a single opposition candidate for the 25 February elections, one of the thorniest issues in the creation of a "common front."

However, Social Democratic Party leaders admitted that the "method" by which to select this candidate will be debated, probably focusing on the characteristics that such a candidate should have.

In his remarks to ACAN-EFE, Calero clearly came out in favor of "a politician from inside Nicaragua," concurring with other leaders present at the meeting. However, this position is at odds with the contra leaders who support the selection of a candidate from among exiled members.

Included among those attending the Guatemala meeting on behalf of the RN were Aldolfo Calero, Enrique Bermudez, Aristides Sanchez, Roberto Ferrey, and Wilfredo Montalban, all of whom live in exile.

Arriving from Managua were the main leaders of the 14 major opposition parties and Antonio Jarquin, who represented the Workers Permanent Congress, the main opposition union.

The meeting will end today, Monday, 10 April. The participating opposition figures will meet with Guatemalan President Vinicio Cerezo once the meeting is over to inform him of their agreements.

Communist, Contra Leaders Embrace

PA1004235389 Panama City ACAN in Spanish 1907 GMT 10 Apr 89

[Excerpts] Guatemala City, 10 Apr (ACAN-EFE)—The embrace that contra Commander Enrique Bermudez and Nicaraguan communist leader Eli Altamirano gave each other consitutes the most spectacular and symbolic act to take place at the meeting held in Guatemala by various sectors opposed to the Sandinist regime.

"This illustrates that we Nicaraguans can understand each other," Bermudez told ACAN-EFE. Bermudez is the top contra military leader and a man who harshly repressed communists during the time he served as Managua police director from 1966 to 1968. For the 56-year-old former Somozist National Guard colonel, the meeting with Altamirano "constrasts with the Sandinists' attitude" and makes it clear that it is possible to create "a single opposition front" in Nicaragua.

Altamirano, a mechanic who is secretary general of the Nicaraguan Communist Party and who was arrested on several occasions during the days of the Somoza regime, had no objection to having his picture taken beside his former enemy "because what matters is to be united to save the fatherland."

The 56-year-old communist, who has also been in jail since the Sandinist victory, justified his reconciliation with Bermudez by saying that perestroyka (a new Soviet policy of openness) "calls for action and for discarding subjectivity."

The veteran communist leader does not believe that his meeting with Bermudez, a very symbolic meeting, will be ill-received by other party members. He said: "Our people have decided to do whatever is necessary to secure democracy for Nicaragua and they have no prejudices." [passage omitted]

Bermudez and Altamirano characterized the first meeting, which was held Sunday afternoon, as "very positive." They said they have hopes that a joint final document will be issued at the conclusion of the meeting, the first to involve all the Nicaraguan opposition. Bermudez said: "We all agree with presenting a united front to face Sandinism." He noted, however, that he has reservations about the possibility of participating in the 25 February 1990 elections on equal terms with the Sandinist regime. [passage omitted]

Bermudez said: "We are keeping our armed men (in Honduras) as guarantors of the process."

According to Altamirano, the contras have accepted "the search for a civic and political solution" to the Nicaragua crisis after realizing that "a military way out would be possible only with a massive U.S. military intervention." [passage omitted]

Bermudez, Altamirano, and the representatives of 13 Nicaraguan political parties who are currently in Guatemala also agree on the methodology for selecting a single opposition candidate, who must be "a politician living in the country."

Altamirano is opposed to the proposition that Enrique Bolanos be the candidate. Bolanos is a businessman who apparently has the best chance of being selected.

Altamirano has said: "He is not suitable because he represents the private enterprise sector." Apparently, the communist leader has fewer qualms about reaching an understanding with former Somozist guards than with businessmen.

Arce Criticizes Talks

PA1104022189 Managua EL NUEVO DIARIO in Spanish 7 Apr 89 p 10

[Text] Commander Bayardo Arce has decribed the opposition's trip to Guatemala as a "blunder" and said that it would be regrettable if the political parties went to that meeting to look for a "leader" to confront the Sandinist National Liberation Front from among those counterrevolutionary chieftains.

Arce, a member of the FSLN National Directorate, insisted that the opposition's meeting with the mercenaries is a "blunder" from any point of view since no matter which party decides to be the umbrella organization for all these groups, it will not gain any prestige.

Nonetheless, he said the best thing would be for the contras to find out who will be the stepping stone for them to enter the country, inasmuch as it is a defeated mercenary force that has been unmasked as dependent on the U.S. Government.

"I do not believe they have the nerve to say that they are now a political party, and that they are looking for someone who will be their stepping stone in order for them to join the civic struggle now that the the war option has been defeated," he added.

The Sandinist leader insisted that if the opposition goes to Guatemala to look for a "leader" to confront the FSLN in the elections, this will demonstrate that the political parties are weak.

He added the contra chieftains do not have the qualifications to become presidential candidates since they are more criminal than the counterrevolutionaries themselves who carry out ambushes, while their cheiftains sit in luxury hotels in Tegucigalpa, San Jose, Miami, and Washington encouraging the aggression against the Nicaraguan people.

When asked about FSLN activities for the next election campaign, Arce said that his party is not out preparing for elections but is continuing to work toward the fulfillment of all the tasks that the Nicaraguan people are carrying out, particularly the struggle for peace and for the economy.

We will prepare our forces for the February 1990 elections, but first we have the tasks ahead for celebrating the 10th anniversary of the revolution, he added.

The committee that will organize the celebrations will be announced on 19 April.

Commander Arce said that the next election campaign might be more "interesting" if the parties that believed that the Reagan administration would defeat the revolution militarily and abstained from the 1984 election would decide to join the civic struggle.

Due to the peace efforts of the revolution, even the contras could participate in the elections, and we will find out who's who and each party will be able to explain what it has done for the Nicaraguan people, the Sandinist leader said.

Parties Accept 'Challenge'

PA1104025589 Panama City ACAN in Spanish 0159 GMT 11 Apr 89

[Text] Guatemala City, 10 Apr (ACAN-EFE)—At the joint meeting that came to a close here today, the leaders of 14 Nicaraguan opposition parties and the leaders of the "contra" organization today agreed to "accept the challenge" of the upcoming elections.

A joint communique approved by this broad array of opposition leaders accepts the "challenge" of the agreements reached at the recent Central American presidents summit, which include the holding of elections in Nicaragua prior to 25 February 1990.

Regarding the reforms to the law that will govern the holding of the upcoming elections, the communique supports the demands for democratization that the internal opposition has made to President Ortega. Nicaraguan Resistance [RN] leader Aristides Sanchez told ACAN-EFE that the RN, or "contras," has promised to maintain the cease-fire until the elections are held.

Sanchez also said that, if the Nicaraguan Government allows it, the next meeting of the opposition, including the "contras," will be held in Nicaragua in May.

Obando y Bravo: Vote for One Who 'Loves God'

PA1004215589 Managua Radio Sandino in Spanish 1206 GMT 10 Apr 89

[Text] We should not vote for mercenaries, Cardinal Miguel Obando y Bravo said during his Sunday homily at Santo Domingo Church. He called on the people to be careful when going to the polls in next February's elections.

In his message prior to the elections, the president of the Nicaraguan Episcopal Conference said the politicians of our country should be examined to see if they love someone or are interested in serving their fellow man or their community.

The cardinal said Catholics and Christians should ask themselves: Does the man who I am electing to lead the nation love God? Does the man who will receive my vote love his people? Or will he be an individual who will take advantage of his position to get rich?

Obando y Bravo said the important thing is to look for true pastors, not mercenaries who seek to get rich, but when they see the wolf coming to eat their sheep, they run away.

[Begin recording] [Obando y Bravo] I said politicians and those who lead the people, those who are president, should have love. The people should vote for the people who are fit for the job and who love God and their fellow man. They should not vote for people who are only seeking their own self-interest. He who seeks his own self-interest is not a good pastor.

[Reporter] What party has those kinds of people?

[Obando y Bravo] That is a question I cannot answer. Each citizen should be mature enough to determine who has the necessary qualities to govern and who has love. They should not vote for people who will take advantage of the sheep, of the wool, and of the milk. They should vote for people who will seek the welfare of his fellow man.

[Reporter] Cardinal, the Constitution states clergymen may vote in the elections. What party would you vote for?

[Obando y Bravo] The vote is secret. If I had to vote, it would be in private, and I would vote for the person I think has the necessary qualities to rule Nicaragua. I would see to it he is a person who loves God and his fellow man because the person chosen to carry the candles should be a person who will shine through his example, his words, and his actions. [end recording]

Assembly Secretary on Reforms to Electoral Law

PA1104032089 Managua BARRICADA in Spanish 8 Apr 89 p 3

[Interview with National Assembly Secretary Rafael Solis by Vilma Areas on electoral law reform bill submitted by President Daniel Ortega; date and place not given]

[Text] [Areas] What is the idea behind the president's proposal?

[Solis] The idea is to comply with the El Salvador agreement, taking into account the amendments presented by the opposition, especially during the bilateral meetings. These are amendments suggested by a more aware and mature opposition, and, in one way or another, they are included in the president's initiative.

[Areas] Will the elimination of proportional financing, media access, and representation affect the parties that participated in the 1984 elections?

[Solis] It affects the parties favored in those elections. It is being done in this manner because, most likely, more political parties will participate in the 1990 elections; therefore, the Electoral Law had to be amended to reflect this. This is the way it is done in other countries. In light of the Central American peace process, the contras laying down their weapons, and their eventual return to Nicaragua, we had to make decisions that could affect the parties already represented in the National Assembly. However, this had to be done to hold the broadest possible elections and promote the participation of those political groups that in the past refused to participate because they were waiting for the end of the war and the triumph of the contras. Now that their wait is over, we must give them their political opening.

The parties would not have accepted one of the current requirements that states that if they choose to participate in the elections, they will receive a percentage of campaign financing and media time lower than that given to the party that came in last in the 1984 elections, the MAP [Marxist-Leninist Peoples Action Movement]. The El Salvador agreement calls for equal media access for all parties participating in the election, and this forced us to amend the law.

Regarding financing, to protect somewhat the parties represented in the National Assembly, it has been decided that 60 percent of the money will be distributed on an equal basis and the remaining 40 percent will be distributed among the parties that participated in the 1984 elections based on how many votes they received. As far as the seats in the National Assembly are concerned, what we are doing is eliminating the five percent [extra number of seats awarded the party that receives the most votes]. That, more than affecting the parties that participated in the 1984 elections, is aimed at opening the doors to the parties that are not very strong or have not developed fully, so they may measure their strength against the other parties without restrictions. Clearly the law is being expanded.

[Areas] Taking into consideration the fact that in Nicaragua there are large and small parties, parties represented in the National Assembly and parties that are not, and legal and illegal parties. What was used as a point of reference for these amendments?

[Solis] The point of reference was the El Salvador agreement and not a specific group or party. Had we used the parties represented in the National Assembly (the conservatives or the independent liberals) as the point of reference, we would have had a pretty limited law that was not as broad as this one. Had we used the parties not represented in the National Assembly as the point of reference, the law would have been more in accordance with the positions the opposition demanded in an attempt to hurt the parliamentarians. Therefore, both sides are affected in some way.

For example, as for the political parties being given legal status, this will affect legally established parties. We have opened the doors to legalize three conservative parties, thus affecting the PDC. Likewise, two more liberal parties are being legally recognized and this affects the PLI [Independent Liberal Party] and the PLC [Constitutionalist Liberal Party]. The same applies to the Social Christians. However, the El Salvador agreement calls for broader participation of the country's forces in elections, and this is why it has been established that, once the law is implemented, the groups without legal status may apply for it, and get it, very quickly.

The other political parties cannot object to this. The parties will have 7 days to present their request and 15 days later the CNPP [National Council of Political Parties] will issue a ruling.

[Areas] What requirements will no longer be valid because of the reforms?

[Solis] Groups will no longer have to have 140 municipal boards of directors. From now on, the groups will only need to submit an application and draw up a charter. They will also need to have nine departmental boards of

directors, but most political groups have this anyway. The measures will make it easier for these seven groups to become parties and participate in the elections.

[Areas] Comparing this legislation to previous legislation, do you think these reforms will result in fair elections?

[Solis] Of course, because in many respects we will be far above the Latin American average. We are making it possible for Nicaraguans living abroad to vote. These Nicaraguans will register at Nicaraguan consulates. However, for logistical reasons, they will not be able to vote there. Virtually no country in Latin America even considers the possibility of absentee voting.

The law is also broader in terms of providing parties with media coverage. We have established mandatory amounts of time for the parties in both the state-controlled media and the private media. We have observed, however, that in other countries there is no law establishing mandatory media time for political parties; instead, parties contract for time. We have decided to offer both options. For example, both television channels, not just Channel 2, will be used during the campaign. If any party would like to have extra time beyond that which is mandatory, Channel 2 will be available for private contracting.

[Areas] Why is it important to form the electoral organizations? What exactly is the government proposing?

[Solis] The Supreme Electoral Council [CSE] is of primary importance because it oversees the entire election process. The regional councils are also important because they are the supreme authority in their respective regions.

The legislation is being modified so parties that are not represented in the National Assembly can also submit nominations. Other groups will also have the chance to become parties once the reforms are approved. That broadens our perspective. We cannot change the number of CSE magistrates because our Constitution mandates that we must have five CSE magistrates. The reform does not stipulate that three nominees necessarily have to be members of the government party; there is the possibility of considering outstanding citizens for these positions or to use other criteria. The proposed reform is the same as that suggested by several opposition parties, in that the CSE does not necessarily have to be made up of three Sandinists and two opposition members.

There are also some proposals that are simply ridiculous. The Ramiro Sacasa Guerrero Democratic Coordinating Board, for example, has suggested that only one of the five magistrates be a member of the government party. That is absurd. That is not done in any Latin American country.

[Areas] Are the voting table officials important?

[Solis] The voting table officials are important and an agreement has been reached to have an official from each party at every JRV [vote receiving board]. This is no problem as long as each party has one official for each of the 4,000 voting tables. In addition to the voting table officials, they must also appoint one of the three members for each JRV. This means there will be 8,000 opposition representatives for the JRV's. They may also appoint officials to represent them on the national and regional electoral councils and ballot counting boards.

[Areas] The reforms propose forbidding all government employees from becoming actively involved in politics. How can they participate in an election if they cannot participate in a specific party?

[Solis] Dr Clemente Guido's PDC proposed two changes banning all government employees from participating in politics and using government equipment in the campaign. Banning a government employee from participating in politics would be a violation of his human and constitutional rights. The proposal presented by the president bans all political participation by a government employee during his regular working hours. That is fine. However, this does not mean that after work that employee cannot attend a rally or other political activities. Forbidding him to do this would be unconstitutional.

[Areas] How will the people register to vote in countries like the United States, which has only one consulate, the one in Washington?

[Solis] Those consulates will have to be open a long time so Nicaraguans can register. The ideal solution would be for the U.S. Government to allow the reopening of Nicaraguan consulates in the United States to facilitate the registration process. Nicaraguans living abroad would have to come to the country to vote. Because there is an Amnesty Law with no restrictions, they can do this. The political will to do so is important.

[Areas] Are the doors open for the contras to form a legal political party in Nicaragua now that it is no longer necessary to meet some important requirements to achieve a legal status?

[Solis] The doors are open, but they have to make their move before the reforms go into effect. This is very important. The parties that are going to apply for legal status—including the contras—must do so before the reforms are approved, otherwise, we would be talking about keeping the doors open indefinitely and not about a transition. Those parties registering after the reforms are approved will have to do so based on what is established by the law. By registering now it will be possible to participate in the 1990 elections.

Once the reform goes into effect, the parties will have 7 days to comply with the established procedures and can expect to be granted legal status within 15 days so they may exercise their rights. This only applies for the 1990 elections.

[Areas] Will the four elections regulated by the Electoral Law take place during the same period?

[Solis] The four elections established by the law will take place in February 1990, including those to elect deputies to the Central American parliament, if Costa Rica ratifies the parliament. There would only be one campaign period. The political parties will be able to use their media time to emphasize their candidates for president and vice president, National Assembly, municipal councils, and the Central American Parliament. The parties will decide on what elections they will put more emphasis.

[Areas] The Constitution establishes specific dates for the presidential inauguration and the installation of the National Assembly. What is going to happen between 25 February 1990 and January 1991?

[Solis] The Constitution leaves the door open for the transfer of government prior to the established inauguration date. Let us say the FSLN [Sandinist National Liberation Front] does not win the elections. Then the president and the vice president could resign. The National Assembly could then appoint a new president for the remainder of the term. This is not dealt with in any transition law. This would be, rather, the result of a political agreement between the FSLN and the opposition. The winners in the elections would be sworn in on 10 January 1991, and the National Assembly deputies 1 day earlier.

[Areas] What are the conclusions about the opposition's proposed reforms?

[Solis] The problem is that the so-called Group of 14 [opposition parties] presented its proposal too late, when the president had already presented his bill. From a legal and constitutional point of view, the opposition proposal has not been presented, because such drafts must be signed by 32 National Assembly deputies due to the fact that many deputies, or the president, must sign a draft for it to be considered a legislative bill.

The special commission that will study the opposition's proposal could be flexible and discuss some of the articles related to issues discussed in the president's draft, but we would be violating the Constitution if we were to discuss articles that have not been presented to the assembly for discussion.

Many of the articles contained in the opposition's proposal are related to issues dealt with in the president's bill, and there could be a consensus on those, but there are articles that have nothing to do with what is discussed in the president's proposal.

[Areas] Once the reform is approved, will the opposition present other arguments?

[Solis] I believe that no room is left for that, unless someone wants to continue waging war. Their alternative is to participate in the elections. Maximum guarantees exist for absolutely clean elections, and they can win if the majority of the people support them.

Opposition Not To Attend Electoral Law Meeting

PA1104031689 Panama City ACAN in Spanish 0137 GMT 10 Apr 89

[Text] Managua, 10 Apr (ACAN-EFE)—Leaders from 15 Nicaraguan opposition parties today refused to attend a meeting called by a special National Assembly commission to debate the Electoral Law reforms proposed by President Daniel Ortega.

Wilfredo Navarro, secretary general of the Independent Liberal Party (PLI) told ACAN-EFE today that the opposition politicians did not go to the assembly today because "it makes no sense," and "we have nothing more to explain."

On Thursday, the opposition parties sent a proposal to the National Assembly to reform 85 of the 215 articles in Nicaragua's Electoral Law.

Assembly President Carlos Nunez on Friday summoned 19 political parties to a meeting so they could express their opinions regarding the [president's] proposals, which were debated that same day.

The liberal leader said that the opposition parties decided not to attend Nunez' meeting because they felt that it was all "for international consumption."

"We have already explained our views regarding what should be a true electoral reform," Navarro said, adding: "We are not willing to continue giving further explanations" on this issue.

The secretary general of the PLI, the second largest opposition faction in the National Assembly, said the special commission must now study both the government and opposition proposals and then prepare an electoral law bill.

President Ortega promised his Central American colleagues on 13 and 14 February in El Salvador to move up the date of the elections, reform the electoral and press laws, and release the former Somozist guards.

The opposition's proposals demand, among other things, the abolition of the maintenance of order and public security law, the press law, the law that bans soldiers from voting, and the expatriation law. The opposition has also proposed a general amnesty.

Meanwhile, the head of Nicaragua's legislative branch rejected the opposition's bill, saying today that only President Ortega and the deputies can present bills to the Assembly.

He said that to do otherwise would be "unconstitutional," and that, furthermore, the opposition's proposals were sent to the Assembly "too late."

Authorities Dismantle Contra Group, Arrest 13
PA1004144689 Managua BARRICADA in Spanish 7 Apr 89 p 8

[Excerpts] El Guabo, Villa Sandino, Region 5—A counterrevolutionary group operating northwest of El Guabo has been dismantled and 13 of its members were arrested. The operation was conducted by the El Guabo Operational Support Base (BAO).

Justo Pastor Martinez Suarez, known as Cobra, is among the contras arrested. Martinez was the second in command of the defunct Chontales task force.

Martinez received counterintelligence training in Honduras. When he was arrested he was found to be carrying a new waterproof backpack and two AK-47 assault rifles. The butt of one of these rifles is flexible.

Jose Isabel Lumbi Zamora, known as Jilguero, was also arrested. Lumbi was a detachment commander of the aforementioned task force.

It was discovered that another four contras were conducting armed actions in the area. The armed courier Alfonso Diaz, also known as Maravilla, was shot in the buttocks while trying to flee from the skirmish.

The success of this operation lies with a young peasant, who voluntarily went to the El Guabo BAO to do his Military Patriotic Service. Soon after his enrollment, he was captured by the contras and held for 4 months.

The youth resisted the initial mistreatment and proceeded to gain the contras' trust, although he kept his convictions. The young peasant escaped at the first opportunity, but not without first wounding the contra leader who had captured him, known as Pelillo.

Thanks to the information provided by that peasant, the El Guabo BAO arrested the contras. The mission was assigned to the 52d Infantry Brigade exploration company. [passage omitted]

Nicaraguan authorities do not rule out the possibility of arresting other members of the contra network operating in El Guabo area.

It is also possible that some weapons caches may be found in the area. As we know, Ronald Reagan's government introduced a considerable amount of weapons into Region 5, and many of those weapons remain hidden in secret caches in the mountains.

First Lieutenant Juan Francisco Quiroz Blanco, new EL Guabo BAO chief, said that the operation conducted by his group is a harsh blow against the contras, who remain in this region. [passage omitted]

Soviet-Built Passenger Planes To Arrive
PA1004164189 Managua Radio Sandino in Spanish 1245 GMT 10 Apr 89

[Text] The first of two Antonov Soviet passenger planes will arrive in Nicaragua on 23 April under a cooperation agreement between the USSR and our country.

Julio Rocha, general manager of Aeronica, said each Antonov plane is worth 15 million rubles, about $8 million. The other plane will arrive next month to improve the service to the Atlantic coast region, Rocha said.

The agreement includes a Tu-154 plane, which is similar to the Boeing-727. It has a capacity of over 200 passengers and costs 18 million rubles, about $9 million. This other plane will arrive in the country next December to improve international service.

Panama

Bush Remarks Called 'Virtual Declaration of War'
PA1004175489 Panama City MATUTINO in Spanish 10 Apr 89 p 4

[Editorial: "With Regard to President Bush's Statements"]

[Text] In an unsuccessful attempt to justify the extension of anti-Panamanian aggression, President Bush said that our country represents a great danger to U.S. national security.

Mr Bush's statements would have made people laugh if they had not been made almost simultaneously with the discovery by Panamanian authorities of an operation to jam radio and television frequencies in our country. That operation would have allowed our local and foreign enemies to distort, block, and eliminate any local transmission and then to use our television channels to disseminate all kinds of news reports aimed at destabilizing the Panamanian Government.

President George Bush's virtual declaration of war is accompanied by other incidents that prove the U.S. Government's irreversible determination to increasingly tighten the knot that is strangling us. The U.S. Government plan includes a "documentary" for international circulation. The documentary rigidly presents a cursory view of what it describes as "terrorism in Panama." The film is plagued with details, film editing, technical tricks,

and superimposed scenes intended to make our country appear as hell's anteroom, as a place where human existence appears to be like a permanent game of Russian roulette, and where U.S. citizens are outraged and attacked by Panamanian civilians and the Panama Defense Forces.

Mr Bush wants to convey the image of a diligent Samaritan who will soon be forced to defend his compatriots cornered in Panama by a fierce, terrorist, military monster, which uses its claws and fangs to kill U.S. citizens at every minute, every day.

The truly serious aspect of this is the fact that President Bush is determined to gain international approval for any action he may take against us. Such an action would be viewed as the rejection of and revenge for alleged aggressions against U.S. citizens who dare to come to our country. That is how the situation would be presented to the rest of the U.S. population.

The danger posed by this plan makes us realize that given this reality, Panamanians must conduct an active policy to counteract the U.S. destabilizing and disinformation campaign. That disinformation has obviously reached the highest level, since distorted statements are now being issued by U.S. President Bush himself.

That plan also tells us that we must expect the worst and that we must unite our weapons, souls, hearts, and lives.

COLINA Outlines Development Programs

PA0804121489 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Apr 89 pp 1, B-2

[Report by staff writer Emilio Sinclair]

[Text] The National Liberation Coalition [COLINA], the political organization made up of eight political parties that are backing Carlos Duque Jaen in his bid for the presidency, yesterday presented before representatives of 82 banking and financial institutions, members of the National Banking Association, the development programs that it will institute to reactivate the country's economy and banking services, which are practically at a standstill.

COLINA spokesman Ramon Sieiro Murgas presented the progovernment coalition's plan, a program designed for future development that "will be based on the need to steer the national economy toward exports while more efficiently using all resources and getting local and foreign private enterprises to participate more actively in development projects."

Sieiro said that all groups vying for leadership positions advocate "free, market-oriented exchange rates, as has been the case with the dollar up to now."

"We are aware," Siero said, "of how important the protection, stability, and continuity of the present monetary system is to Panamanian businessmen, bureaucrats, and workers."

Presidential candidate Carlos Duque Jaen was delayed in his tour through the interior of the country and could not attend the meeting with the bankers.

Vice presidential candidate Ramon Sieiro M. attended the meeting along with second vice presidential candidate Aquilino Boyd.

The crisis and the major impact it has had on development prospects in the country was caused—according to the speaker—"by the foreign aggression and the complicity of certain domestic groups." The speaker said he regretted the situation, adding that "COLINA feels the profound grief that the more than 100,000 banking employees and families are feeling from losing their jobs during the last year," and blamed "opposition members for this misfortune."

The COLINA spokesman reaffirmed his "belief in the right to freely transfer capital abroad from Panama..." and blamed the U.S. Government for the severe economic measures that made the country's financial system collapse.

The measures imposed by the United States against Panama and outlined by Siero were:

1. Application of the economic powers law to Panama;
2. Coercive measures taken, such as the nonrecognition of the existing government;
3. Retention of National Bank funds, including Clearing House funds;
4. Retention of contractual payments to Panama from canal operations;
5. Prohibition of U.S. companies to pay taxes or tariffs to Panama;
6. Suspension of confirmation of letters of credit;
7. Threats of military invasion and intimidation against the country; and
8. Exclusion from benefits of the Caribbean Basin program.

The COLINA representative then outlined the benefits of the state's policy over the last 15 years, stressing as the most outstanding the "large investments made in electrification, the telephone system, mechanization, and modernization throughout the country; the massive training and education of the population, the ports, the opening of secondary roads that opened new agricultural frontiers." He added that "in the agricultural sector, we promoted production for the internal market. In industry we promoted the substitution of imports, and we promoted the capitalization of companies through investment subsidies."

Sieiro reminded the bankers that what the opposition system calls "the regime," "assumed the responsibility of solving a series of deep social problems with emergency employment programs and with the direct absorption of labor.

"We expanded health services, water works, electrification, the rural telephone system, secondary road system, housing programs, and the integrated food and rural development programs.

"COLINA will promote the diversification of our international economic relations," specifically the export markets, the sources of financing, the nationality of the investors, and use "to the utmost the advantages of our geographic position."

In regard to plans to more fully exploit the country's geographic position, Sieiro denied that there were any priorities attached to widening the canal, the port center, the freight terminals, the storage center, the sale of bunker oil to ships transiting the canal, and the expansion of the Colon Free Zone activities.

In the agricultural sector, COLINA will continue promoting cattle exports and "we will expand the export of fruit and tropical products, such as melons and watermelons."

Sieiro said it is "important to promote industrial exports that are labor intensive."

Sieiro said that "confectionary enterprises are already operating in the Colon Free Zone that employ more than 2,000 persons."

He told the bankers that "at this moment, we are studying offers from investors interested in setting up industries here."

Negotiations are in progress "to increase industrial trade with Central America and to use the idle capacity to generate exports."

We will continue "promoting small and medium enterprises and the initial step has been taken with the approval of an incentive law for small enterprises."

We will cut construction costs by revising construction standards in urban areas, cutting the cost of materials, and increasing productivity.

COLINA plans to establish "a government of reconciliation" because "we do not want conflict between private enterprise and the government, but we believe it is not in the best interest of the nation to have enterprises dedicated to political activities to the detriment of the government's own interests."

Sieiro said that the government headed by Carlos Duque Jaen will dedicate itself mainly to guiding the economic system, investing in the infrastructure, solving social problems, and being responsible for production in the strategic sectors.

Calls for Strength in 'Face of the Enemy'

PA1004204689 Panama City CRITICA in Spanish 10 Apr 89 pp 1, 4

[Editorial: "Strengthening Our Position in the Face of the Enemy"; from UNIDAD, People's Party newspaper; date not given]

[Text] As we have said, these elections have a strategic value, because the next government has to plan everything concerned with our recovery of the rest of the colonial enclave called the "Canal Zone" for our national heritage by December 1999. It is not just any program; it is the end of that brainchild that gave us the character of a colony country—it is our third independence; it is the total consolidation of our national independent state.

For the United States, it represents the loss of a key link of its continental strategy, which benefits its interests of predominance and war.

For the opposition bourgoisie, which has signed a contract with imperialism, it would mean, among other things, it cannot seize the millions represented by Panama's total recovery of the canal facilities. It will also estrange it from power, causing it to gradually languish politically. (Torrijos, in his picturesque, yet strategic, speech used to say: "The system must be killed, even if only by small steps, so it does not act up too much.")

Therefore, the opposition and its Yankee imperialist master know perfectly well what is at stake in Panama. They seek to promote the continuation, via the election path, of the seditious escalation, of the June 1987 "puscht," to seize power again.

In a way, the people's discontent—fruit of the crisis of Panama's dependent capitalists, of the governments' failure to do things after the "accident" of Torrijos, and, above all, of the gifts bestowed on the IMF; a crisis doubly worsened by the U.S. aggression and the 1987 labor strike—helps the Colonialist Democratic Opposition Alliance [Colonialist - ADO] votes primarily because the people who are hungry and unemployed cannot clearly see the main cause of our backwardness or the negative impact of the imperialist aggression.

The opposition also knows that after its failure in June 1987, when it found itself cornered and tainted publicly by its unnatural alliance with the gringos, all odds are against it. Objectively, Panamanian society is marching

with the Latin American tide against imperialist arrogance, against the terrible imbalance caused by the foreign debt, and against interference by the United States, which brings death and war wherever it meddles.

Objectively, this goes against Colonialist - ADO. Each passing day of the 4 remaining weeks, the strings of this struggle become more taut. There can be no vague positions of "national harmony," "easy changes," or any way out other than the unity of all the forces of the National Liberation Coalition [COLINA] and decisive actions, so these last few days can be used to explain to the masses without a party, to those who are confused, how we intend to correct our mistakes, setting aside arrogance and demagoguery, to defeat the gringo slate with a single fist.

The candidates' participation with the people will set the note, give the impulse, and garner sympathy for the struggle against Colonialist - ADO.

The instrument is the COLINA platform; it is forgetting about party and personal interests, which often undermine the primary objective: to win the elections for Carlos Duque.

If, as expected, Colonialist - ADO is defeated, it is known they will come from within and outside the country to demand the intervention of yankee troops. Therefore, the coming days are very delicate. We must have our fists ready to know how to strike out to defend our vote. Nobody must harbor hopes or be unaware of how the gringos want to carry out another Grenada move in Panama. Nobody must fall prey to vaccillation or feeble proposals, because behind that are the fences of imperialism.

Column on Christian Democrat's 'Evil' Plans

PA1004203989 Panama City CRITICA in Spanish 10 Apr 89 p 15

["Hard Line" column by Alberto Barrera: "The Green Star Represents Blood, Death, Grief, and Pain"]

[Text] To alert the consciousness of the Panamanian people, we hereby reveal the evil plan of leaders of an opposition group paradoxically known as "Christian Democracy," whose symbol is a bilious "Green Star," which stands for death, grief, barbarism, desolation, and pain whenever it has ruled in Latin America.

In keeping with that line of destruction, street violence, looting and uneasiness, the Christian Democracy of Panama, through its human hyena, who is also known as the "crazy nun" [referring to Christian Democratic Party President Ricardo Arias Calderon] among other things, plans to amend Law 20, which regulates the Panama Defense Force [FDP], to implement the following evil plan:

1. Turn our armed institute into shock and repression troops against the Panamanian people, as in El Salvador, where men, women, and children are shot to death in the name of the "Christian Democracy" they "practice."

2. Eliminate the people - government - FDP triangle and ruin the extraordinary work done by Civic Action, which has built bridges, feeder roads, highways, and schools and has conducted medical visits in isolated areas.

3. Change the Panamanian Air Force planes and helicopters' mission and turn them into a combat force against our people by dropping bombs instead of food and medicine, as in the countries where this party has achieved power.

4. Abolish the General Tomas Herrera and General Benjamin Ruiz Military Institutes, where students of humble origin are trained, and replace these students with those they will send to West Point Military Academy.

With their planned changes, those of the "green star" would try to turn soldiers into the enemies of their poor brothers, peasants, laborers, and students.

5. Those of the green star are silent in the face of aggressions unleashed by the United States against our people; the are silent about the men and children who were the victims of the explosion of U.S. Army war artifacts in Arraijan and Escobal.

Those of the green star claim to be Christians but have expressed no support for the statements of Apostolic Nuncio Msgr Sebastian Laboa regarding U.S. policy toward Panama.

Their silence is interpreted as an acceptance of the aggressions against the Panamnian people, whose votes they want today.

But they will not advance...because they will crash against the wall of dignity of a nationalist and proud people.

COLINA [National Liberation Coalition] , yes...colony no! Duque for president.

ADOC Plans Said To Protect Drug Business

PA1004174489 Panama City LA REPUBLICA DOMINICAL in Spanish 9 Apr 89 p 1-B

[Unattributed article: "ADOS Will Convert Panama into a Drug-Trafficking Base"]

[Text] In all truth, I dare say there are no limits to the boldness of the gang of hoodlums that compose the so-called "Civic Democratic Opposition Alliance [ADOC] (Servile Democratic Opposition Alliance, ADOS)." This far into the election campaign, their demagogic pronouncements have had the virtue of conjuring up situations that reveal their true intentions.

With only a split second's difference, two important incidents that have shocked people at home and abroad have stripped them bare and exposed them for what they are: utter scoundrels.

A few days ago, Mr Guillermo Ford, ADOS vice presidential candidate, shouted to the four winds that our judicial system was in total chaos; complained about our country's current economic, political, and financial isolation; clamored for respect of the banking secrecy law; and expressed concern about our judicial system. [as published] Instead, he should be concerned about the U.S. judicial system, because he is linked to the Samos case, along with the Robles brothers (of the newspaper LA PRENSA), Alvin Weeden, "Willy" Cochez, "Gallego" Rodriguez, and others.

When this spokesperson of the oligarchic opposition's economic interests came out in defense of the banking secrecy law, he was not doing so to help break the financial isolation in which the United States has tried to place our country, but to protect the criminal drug money-laundering business. Surely he knows how many prominent Panamanian businessmen, such as Carlos Eleta A., are involved in this dirty business. Surely Billy Ford—who is an old Yankee agent—knows who is linked to drug trafficking, money laundering, and aid to the Nicaraguan contras. I am not making this up as a circumstantial argument. It is well known that the CIA uses drug trafficking to resolve the problem of supplying weapons and lethal aid to the contras, as has been demonstrated in the Iran-contra Senate hearings and in the current trial of Lieutenant Colonel Oliver North.

We can therefore conclude that the interests of the United States and its local lackeys has a double intention: The overthrow of the Panamanian Government and of General Noriega would allow them to install a puppet government that would permit the United States to maintain its military presence here beyond the year 2000, to establish a drug-trafficking base in Panama from which funds would be obtained to replace the money stolen by "Tuturo" Delvalle—the same money that was used in George Bush's election campaign, as our colleague "Huilo" Ramirez asserts—and to continue aiding the Nicaraguan contras.

Furthermore, the dismantling of the plan drafted by the oligarchic opposition and U.S. intelligence agencies—a master blow by the boys led by Lieutenant Colonel Nivaldo Madrinan—confirms once more the charges we made some time ago were based on the truth.

What the public now knows, following the arrest of one of the Yankee agents who was chosen for the "covert action" undertaken by the Reagan administration and continued by the Bush administration, is barely a tip of the "iceberg" of the antipatriotic seditious movement. The Phillipines-style plan, masterminded by John Maisto, has much to do with the specific work of the Local Democratic Movement group, to which the Eleta brothers and "Tuturo" Delvalle belong.

A computerized system, which would operate on a par with the Electoral Tribunal, is already being used by the subversives to prepare election tally sheets on which the signatures of National Liberation Coalition [COLINA] voting table officials will be forged. Once this is done, the election victory of Endara, Arias Calderon, and Ford would be proclaimed. That is why they have been preparing the people psychologically for confrontation with the Panama Defense Forces and the COLINA militants. They have been calling for cordons around the polling tables, which they would fire upon to sow chaos and violence. For the same reason, they have spread lies at the national and international levels about an alleged election fraud being prepared by the national government. The idea is to reach the 7 May elections amid a climate of violence, instability, and confusion, and to achieve this they have been projecting a negative image of Panamanian reality.

Panamanian citizens are witnessing all of this and soon will be able to see things clearly.

Finally, in view of our lack of confidence in the U.S. judicial system, we want to warn our people about the possible handling of the Carlos Eleta case by the yankee tribunals. Let us recall the use of statements by convicted drug traffickers to levy charges against Gen Noriega and ranking members of our Armed Forces. It would not be too farfetched for Carlos Eleta to implicate our top political-military leader in Eleta's dirty business so as to appear as a meek little lamb on U.S. television screens. This would call for one of Julio Miller's "Because We Care" special programs [on social ills; aired by Eleta-owned Circuito RPC Television].

Frozen Funds 'Piracy' Action by U.S.

PA0804161789 Panama City MATUTINO in Spanish 7 Apr 89 p 4

["Let the People Judge" column by Ricardo Lince]

[Text] Six days after Eric Delvalle told the daily MEDIODIA that he did not have frozen funds in his possession, the Southern Command denied this and published a UPI report saying that the money had been deposited in three accounts in Tuturo's [Delvalle's nickname] name. The report appeared as the lead story in the 5 April edition of the Southern Command's newspaper, and it also announced the extension of the "sanctions."

The first bank account Reagan placed at Delvalle's disposal is for the expenses for running his phantom administration. The Southern Command's TROPIC TIMES adds that the second bank account is for payments of private companies, and a third account is for the payments of government agencies and public institutions, such as the Canal Commission.

U.S. Treasury and State Department officials said that Delvalle and Juan B. Sosa continue to represent a government in exile in Washington and that they (Delvalle and Juan B. Sosa) have made limited use of the funds initially set at $10 million of the total Panamanian funds withheld by the Reagan administration.

The same officials report that over $200 million have been withheld, but no further details were given as to the whereabouts of those funds. The federal authorities advised that $61 million have been lost and that therefore an investigation has been launched. THE TROPIC TIMES report reveals that after having placed the money in Delvalle's hands, the U.S. Government is now distancing itself from the problem, pretending as if it did not have serious responsibilities for the delivery of funds belonging to Panama and the Panamanian people to federal authorities.

This policy is sheer piracy by a powerful nation (United States) against another nation (Panama), which is subjected to a violent economic aggression aimed at making its government submissive, sundering the legal relationship between the two countries, and sowing anarchy and imperialist plundering. This makes the theft of money an immoral act by a criminal nation. Now Washington has a big problem: What to do with Delvalle.

Legislator Criticizes Continued U.S. Sanctions

PA0704144589 Panama City Televisora Nacional in Spanish 2315 GMT 6 Apr 89

[Statement by Democratic Revolutionary Party legislator Pedro Brin Martinez; date and place not given—recorded]

[Text] I believe that the just thing for President Bush to do would be to suspend those sanctions right now. We thought that President Bush would change U.S. policy toward Latin America and specifically toward Panama. We believed that he would discontinue these serious and unfortunate sanctions imposed by President Ronald Reagan, which do not affect just one man or the Panamanian Government; they affect our people in general, keeping them in a critical and chaotic state of desperation and hunger. However, international news dispatches report that Bush wants to extend those sanctions against the Panamanian people, which demonstrates Bush's and the U.S. Government's virtual obsession with oppressing our people.

RPC Station Owner Arrest Linked to Opposition

PA0804171989 Panama City CRITICA in Spanish 8 Apr 89 p 4

["Political Arena" column by Baltazar Renan Aizpurua: "Comment of the Day"]

[Text] The Panamanian public has been shocked during the last few hours by the sensational announcement in Atlanta, Georgia, that Panamanian politician Carlos Eleta Almaran, owner of Circuito RPC Television and RPC Radio, was arrested yesterday on cocaine smuggling and money laundering charges.

This same public now expects RPC Television and RPC Radio to demonstrate their acclaimed respect for free speech and journalistic objectivity by airing each and every report from foreign news agencies, and most particularly from EFE, because it is one of the agencies that have—with obvious and undeniable political bias—made the biggest fuss over events and the situation in Panama.

During the past 2 years, RPC Radio, Circuito RPC Television, and Carlos Eleta Almaran have made every effort to increase their complicity with our people's enemies and have encouraged the U.S. aggression against Panama. In this regard, the media owned by Carlos Eleta welcomed the economic sanctions against Panama, happily fanned the destabilization campaign orchestrated by the U.S. Embassy in collusion with the turncoat bourgeoisie, and unabashedly backed the request by the seditious movement and the Christian Democratic Party for an intervention by the undisciplined U.S. troops.

These same media owned by Eleta gloated over the distorted, manipulated U.S. reports on the so-called "indictment" of General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, which were blatantly intended to exert political pressure on him to reject his nationalist position and to forego adhering to the principles of dignity and sovereignty that have always characterized this Panamanian military man.

For this reason, our people view as divine punishment the fact that Eleta—whose fortune is intended to make up for his low moral standards—has been nabbed by U.S. judicial authorities for nothing less than involvement in a drug trafficking case involving $300 million.

Eleta has now shown that he is cheap and avaricious. He also has shown that all he and politicians supporting the servile Democratic Opposition Alliance ticket want is to amass millions upon millions of U.S. dollars, even if they have to resort to the methods always used by the international mafia to carry out its criminal drug trafficking activities. Nevertheless, these are the people who talk about corruption.

Ministry Collects $63.5 Million in 1st Quarter

PA1004191489 Panama City MEDIODIA in Spanish 6 Apr 89 p 2

[Text] Revenue Office General Director Ricardo Levy said yesterday the Finance and Treasury Ministry achieved satisfactory results during the 1st quarter of 1989 by collecting $63.5 million in income taxes.

We have surpassed our goals, said the official, who added that the income tax revenues that were collected exceeded the Finance Ministry's estimates by $6.5 million.

Ricardo Levy said the Finance Ministry initially had expected to collect $57 million because of the difficulties experienced in 1988.

Levy also announced that as of last 31 March, 12,530 income tax statements had been received and that 800 more taxpayers still had to fulfill their obligation [figures as published].

Government Fines Unlicensed Radio Announcer
PA0704211689 Panama City Televisora Nacional in Spanish 2300 GMT 6 Apr 89

[Text] The Government and Justice Ministry decided to fine Mrs Omayra de Leon de Watson 200 balboas for working as an announcer on Circuito RPC Radio without a license. The decree fining Mrs de Leon de Watson is signed by Government and Justice Minister Rodolfo Chiari de Leon and Deputy Minister Targidio Bernal. It states that at a hearing held at the Media Directorate on 22 March, Mrs de Leon de Watson conceded she had been working as an announcer for several years without a license, but she argued that as a newscast director she did not need a license. She can appeal the decision.

Argentina

PRC Weapons Shipment Seized at Ezeiza Airport

PY1004222289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1504 GMT 10 Apr 89

[Text] Buenos Aires, 10 Apr (NA)—Economic Crimes Secretariat Judge Manuel Garcia Reynoso today confirmed that the final destination of the weapons seized at Ezeiza International Airport on 5 April was Argentina. Judge Garcia also confirmed that police have certain clues to identify the people responsible for the shipment. The judge, however, refused to comment any further.

The 13-bag shipment contained PRC-made duplicates of 5.35-mm handguns used by NATO, copies of Soviet AK-47 high-power rifles, and copies of U.S.-made M-16 rifles.

The bags were seized shortly after they were unloaded from a regular Swissair flight and deposited at the airport warehouse. The cargo included 65 weapons, enough to heavily arm a large commando group.

Judge Garcia is currently trying to establish whether the arms entered the country legally and who was to receive them, in order to ascertain the possible use of this large arsenal.

There are no indications so far that the weapons were intended to arm a terrorist group. The police, however, cannot discard this possibility.

It is not known, either, if the final destination of the weapons was another country. However, the documents seized seem to indicate that the weapons were intended to remain here.

The judge stressed that a commando group armed with these weapons would have more firepower than the one that tried to seize the 3d Infantry Regiment at La Tablada.

The Federal Police are currently trying to identify those involved in importing the weapons. According to sources, their arrest would follow quickly.

Foreign Minister Leaves for Paraguay

PY1004152589 Buenos Aires TELAM in Spanish 1315 GMT 10 Apr 89

[Text] Buenos Aires, 10 Apr (TELAM)—At 0845 this morning, Foreign Minister Dante Caputo departed for Paraguay from the Metropolitan Airport. In Paraguay Caputo will meet with Paraguayan Foreign Minister Jose Maria Argana.

Caputo is visiting Asuncion in response to a visit by Paraguayan Foreign Minister Argana to Buenos Aires 2 weeks ago.

Caputo is scheduled to return to Buenos Aires at approximately midnight tonight.

FRG Deputy Foreign Minister Arrives on Visit

PY1004155889 Buenos Aires TELAM in Spanish 1505 GMT 10 Apr 89

[Text] Buenos Aires, 10 Apr (TELAM)—FRG Deputy Foreign Minister Helmut Schafer arrived today in Buenos Aires. During his stay Schafer will head the opening ceremony of the new Goethe School building. This ceremony will also be attended by President Raul Alfonsin.

Schafer, who made no statements upon his arrival at the Ezeiza International Airport, is scheduled to meet with President Alfonsin, with Foreign Minister Dante Caputo, and with political party leaders.

During his 5-day stay in Argentina, Schafer will visit Cordoba and Mendoza Provinces and also meet with Cordoba Governor Eduardo Angeloz and Mendoza Governor Jose Bordon.

Brazil

Inmates Hold 140 People Hostage in Penitentiary

PY1004185489 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 10 Apr 89

[Excerpts] There is tension and fear in the Carumbe Penitentiary, Cuiaba, Mato Grosso. The inmates rebelled yesterday afternoon and are holding 140 people hostage.

The rebellion is headed by a group of people wearing hoods who took advantage of the visiting hours to take their own relatives, some of whom are children, hostage. Five guards and the penitentiary director, Major (Eldo Saco Reia) are also being held hostage.

The inmates are demanding three revolvers, three submachineguns, a bus to go to the airport, and a Bandeirante airplane to escape. They are threatening to kill all the hostages if the penitentiary is invaded. The police spent the night negotiating with the inmates.

About 250 policemen and soldiers have cordoned off the penitentiary. Many relatives of the inmates are waiting outside for information and some are desperate. [passage omitted]

Early this morning the inmates released three adults and three children. One of the women who was released was in state of shock. [passage omitted]

The penitentiary has 350 inmates. This morning negotiations were resumed but there is a great deal of tension.

Rebellion Ends; 10 Die

PY1004233889 Brasilia Domestic Service in Portuguese 2225 GMT 10 Apr 89

[Text] Six inmates and four hostages, among them two policemen, died during a clash that occurred a short time ago between 400 civil and military policemen and 300 inmates who started a rebellion at the Carumbe Penitentiary in Cuiaba [Mato Grosso State] yesterday. The decision to invade the prison was made by the Cuiaba public security secretary after the failure of all negotiation efforts with the rebels, who demanded arms, ammunition, a bus, and even a Bandeirante plane to escape. The rebellion began yesterday afternoon during visiting hours, when the inmates took more than 80 people hostage, among them 40 children.

Liberal Front Elects Chairman, Board

PY1004142789 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Apr 89

[Excerpts] The Liberal Front Party (PFL) has elected its new chairman and the executive board that will lead the party for the next 2 years.

Piaui Senator Hugo Napoleao, a former education minister, has been chosen to replace Senator Marco Maciel, who did not want to continue as the chairman. Napoleao was installed, with the other members of the executive board, during the first board meeting that was held right after the convention. The conventioneers approved several proposals. They scheduled for 21 May the meeting at which the party's presidential candidate will be chosen. [passage omitted]

Senator Napoleao also said that his main task will be to preserve the party unity. Napoleao approved the 21st of May as the date for the meeting at which the party will choose it presidential candidate and said that during the meeting Senator Marco Maciel and former Minister Aureliano Chaves will try to reach an agreement. Former Minister Chaves delivered a speech at the end of the convention in which he confirmed that he will run for the Presidency of the Republic.

Uranium Enrichment Process Perfected

PY1004140489 Rio de Janeiro O GLOBO in Portuguese 9 Apr 89 p 9

[Text] Rear Admiral Othon Pinheiro da Silva, president of the Navy's Special Projects Coordinating Board [COPESP], has said that it is now 10 years since the parallel nuclear program in Brazil was started and we are already producing uranium enriched to 20 percent, the degree necessary to feed research reactors and to produce radioisotopes. He said that it is possible to construct nuclear-driven submarines.

The process of enriching uranium to 20 percent is still at the laboratory stage, but beginning in January 1990, enriched uranium will be produced commercially at the Aramar Research Center, which is run by the Navy in Ipero, Sao Paulo State. When this begins, Brazil will be one step nearer to the production of nuclear weapons.

If this were the government's objective, within a short period of time Brazil could produce the first atomic bomb in Latin America. Rear Adm Pinheiro da Silva and CNEN (National Commission for Nuclear Energy) chairman Rex Nazareth yesterday stated that Brazil does not intend to go beyond the 20 percent stage because, regardless of having mastered the technology required to enrich uranium to any degree, it has no warmongering pretensions.

Although this technological development has been kept secret in Brazil, in the United States it has already caused concern. U.S. scientists have stated that they were not surprised by this step taken by their Brazilian colleagues.

A scientist linked to the Manhattan project, which in 1945 built the first U.S. atomic bomb that was dropped on Hiroshima, has stated: "This could have happened at any moment. Now we need to know what path the government will follow because the production of nuclear weapons requires at least a 20-percent enrichment level. Although it has not been done so far, it is known that a bomb can be built using uranium with a little more than 20 percent enrichment."

According to this scientist, who asked not to be identified for fear that his remarks be interpreted as a political statement, although Brazil may not want to conduct this experiment, the fact that it has obtained 20 percent enrichment means that it has reached the threshold of technology:

"The same enrichment plant that enriches uranium to 20 percent can easily produce uranium enriched to 90 percent, which is the level used to manufacture atomic bombs. We must recall that our bomb, the one that was dropped on Hiroshima, used uranium enriched to 70 percent," the scientist said.

Rear Adm Pinheiro da Silva stated that the Brazilian Nuclear Program does not intend to enrich uranium to more than 20 percent. He admitted that the technology needed to enrich uranium to 3 percent or to 20 percent is the same as that required to obtain high enrichment levels of more than 80 percent, which is preferred for the manufacture of nuclear weapons. The number of centrifuge machines used in the process varies (the higher the degree, the larger the number of machines needed). He said that he believes, however, that mastering that technology will be held to generate essential wealth and to guarantee the country's autonomy in the energy sector. This is also the opinion of the superintendant of IPEN [Institute for Nuclear and Energy Research] who said: "To develop a technology, either for peaceful or military purposes, is a political decision of the government and Congress. It would be nonsense to refuse to develop a

technology out of fear. It is a delicate matter but we cannot deprive ourselves of technological development because it can also be used to produce one evil among many benefits.

Rear Adm Pinheiro da Silva explained that moving from the laboratory scale to the pilot plant scale—while it will enable an increase in production to an intermediate stage of production—requires only an increase in the number of ultracentrifuge units employed. The number of units required for pilot plant production scales is a secret; however, Commander Paulo Alfonso da Silva, a COPESP nuclear engineer, makes an educated guess that by the end of the year, Ipero will have eight times the present number of operational units. This number, he added, will still be far short of the thousands of ultracentrifuge units required for the mass production of enriched uranium. IPEN Superintendant Claudio Rodrigues has said that calculations by his institute, which is working jointly with the Navy in the development of the Brazilian Nuclear Program, show that if the Aramar Experimental Center does not augment the production of 20-percent enriched uranium the country will be in a difficult position because its nuclear fuel reserves are getting low and may not last for more than a year. The lack of production of fuel has hindered the operation of the IPEN reactor and created an obstacle for the country to become self-sufficient in the production of radioisotopes, which are important for medical diagnosis equipment.

Rodrigues said: "We have a Ferrari running on a Volkswagen engine. We are getting ready to take a big step forward. We have mastered the nuclear cycle technology, we have first rate human resources, we have reactors and installations, and we are in the position to drive a real Ferrari."

The IPEN superintendent noted that the situation should begin to change in September when the IPEN program will increase the power and the operational time of its IEA-R1 research rector. Rodrigues said that up until now the reactors have been using 20-percent enriched uranium provided by the International Atomic Energy Agency nearly 20 years ago. The last shipment arrived from the FRG in 1978. A year later Brazil became the target of an international boycott because it refused to sign the Nuclear Arms Nonpropliferation Treaty.

Rear Adm Pinheiro da Silva considers it "quite feasible that Brazil will begin to produce enriched uranium on an industrial scale in 1997." This will mean that Brazil should be in a position to supply the 3.4-percent enriched uranium required for the operation of Angra 1, Angra 2, and, eventually, Angra 3 reactors; to supply the research reactors; to provide fuel for the first nuclear submarine reactor (Renap 1), which should be ready by 1995; and to stock nuclear fuel for submarine reactors.

First Nuclear Mini-Plant

PY1004151489 Rio de Janeiro O GLOBO in Portuguese 9 Apr 89 p 9

[Text] Rear Admiral Othon Pinheiro da Silva, who is chairman of the Navy Special Projects Coordinating Department and the man responsible for the Aramar Experimental Center that has been operating in the interior of Sao Paulo State for 1 year, has reported that the first Brazilian nuclear mini-plant for energy generation may start operating by 1998. This mini-plant will generate enough energy for a town of 100,000 people.

Rear Adm Pinheiro da Silva said that the mini-plant reactor project (the Renap-2, which is based on the submarine reactor Renap-1) is already being manufactured. Like the Renap-1 it will probably be developed jointly by the Navy and the Institute for Nuclear and Energy Research (IPEN).

Pinheiro da Silva explained that the specification of the Renap-2 is already being submitted to the government. It will probably have a 60-megawatt capacity, which is 100 times smaller than the capacity of the Angra-1 reactor.

Like the reactor to be installed in the submarine, the Renap-2 will also represent an important step forward. In Pinheiro da Silva's opinion, it will lead to the construction of a nuclear plant using entirely national technology, which is one of the main goals of the Brazilian nuclear program.

Pinheiro da Silva believes that, following the example of other countries that have nuclear technology, Brazil will also start building smaller plants for energy generation.

Apart from being cheaper these mini-plants are believed to be "intrinsically more secure," because they offer a higher level of protection against nuclear accidents.

The capacity of the reactors to be installed in these plants will not surpass 400 megawatts. Pinheiro da Silva said that it is desirable to construct several such plants as a source of supplementary energy for the country.

He said that he is sure that in 30 or 40 years time nuclear energy will be the second best choice for the generation of energy in the country.

He added that it is important to develop security techniques to prevent radioactive leaks, so that these mini-plants will not represent any risk to the environment.

Submarine Reactor Development

PY1004182689 Rio de Janeiro O GLOBO in Portuguese 9 Apr 89 p 8

[By Fanny Zygband, Jose Meirelles Passos, and Paulo Motta]

[Text] Brazil is increasing its efforts in the production of its first nuclear submarine. By the end of this year, the construction of a test compartment simulating the submarine propulsion module should begin in Aramar. The manufacture of the components of the reactor—known as Renap 1—which will be completed by 1995, was begun by several Brazilian industries 3 years ago.

According to Rear Admiral Othon Pinheiro da Silva, the head of the Navy Special Projects Coordinating Office, the nuclear submarine project was born in 1978 when, dissatisfied with the Brazil-FRG nuclear program, some sectors decided to launch the Parallel Nuclear Program.

The first draft of the submarine design was made in 1983, because it was first necessary to wait until it became possible to enrich uranium in Brazil. Pinheiro da Silva explained that the main difficulty at that time was to convince the CNEN (National Nuclear Energy Commission) that a Brazilian nuclear submarine was not simply a dream but a strategic need for the country, and that it was technologically viable provided funds were forthcoming. The second obstacle was the inability of Brazilian industry to produce resistant and specific materials.

Pinheiro da Silva said: "To build a submarine involves hundreds of requirements. Unlike a reactor for a nuclear plant, a submarine nuclear reactor cannot be turned off. Therefore its degree of reliability, safety, and working precision must be much higher than that of the Angra I reactor, for instance. In addition, it must be shock-resistant to withstand explosions. Its installations must also be resistant to pressure many times higher than atmospheric pressure. All this must also be assembled within a compact structure. So, anyone capable of designing a submarine reactor is also capable of designing any other type of reactor."

According to Pinheiro da Silva, the Navy submarine reactor power should be 50 MW. The grade of enriched uranium to fuel this reactor has not yet been precisely determined. It depends on studies being made by the Navy in cooperation with IPEN (Nuclear and Energy Research Institute). He said that most of the reactors of the world's submarines operate on 20-percent enriched uranium. The Brazilian option should follow the same line of low-power reactors that have been adopted by France and Canada. CNEN president Rex Nazareth has said that the submarine reactor can operate on 10-percent enriched uranium, or even lower.

The grade of enriched uranium does not limit the submarine capability, but determines other factors, such as the reactor's lifespan and the time it can operate on a given amount of fuel without recharging. The French reactors have an average life span of 10 years. This means that a submarine powered with this reactor could remain submerged for that long, and its operational limit is set by the crew needs.

According to Commander Paulo Alfonso da Silva, of the COPESP (Navy Special Projects Coordinating Board), a nuclear submarine is strategically less vulnerable than a conventional one that needs to surface every 48 hours to recharge its batteries.

Although the nuclear submarine reactor will not be ready before 1995, all the infrastructure to test its performance is already being prepared at Aramar. By this year's end, the construction will begin of a 30-40 meter long and 8-meter diameter compartment that will reproduce the nuclear submarine propulsion module. This compartment—where the future crew will train—will be installed in a huge tank reproducing the ocean pressure and temperature conditions. In case of accident, the tank would be flooded with boron- saturated water that will supress a possible radioactive leak.

According to Commander Paulo Alfonso da Silva, the core of the submarine reactor should contain 40 fuel elements (Angra's has 200 fuel elements). He thinks that the development of nuclear propulsion has "scientific foundations," which depend on three experimental stages: The zero-power reactor (this reactor has been operating at IPEN since November and serves as testing lab); the thermal circuit of pressurized water that cools the reactor core (this primary circuit of pressurized water that cools the reactor core (this primary circuit is already operating at the IPEN); and the installations to test the secondary circuit where pressurized water turns into steam to activate the power generator (which is in the construction stage at Aramar).

Stroessner To Leave Sao Paulo Heart Institute

PY1104020289 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 10 Apr 89

[Text] Former Paraguayan dictator General Alfredo Stroessner should leave the Heart Institute of the Hospital das Clinicas in Sao Paulo tomorrow. He was admitted there yesterday to have his heart examined.

A medical bulletin released this afternoon reports that the 76-year-old general is doing well, and that the results of the tests do not reveal any problem whatsoever.

The former Paraguayan dictator recently suffered from prostate cancer.

Chile

Pinochet on Armed Forces 'Safeguarding' Freedom

PY1104012289 Santiago Domestic Service in Spanish 2300 GMT 10 Apr 89

[Report from Valdivia, by Graciela Contreras]

[Text] The president of the Republic has reiterated here that the Armed Forces and forces of order will continue safeguarding the country to guarantee that those politicians who aspire to exercise political power will be real democrats, defenders of a free society and of individual freedom. He has also said there is a serious threat against Chile.

President Pinochet made these statements during his first rally in a tour he began today to the 10th and part of the 11th Regions. The president's entourage is made up of the ministers of public works, national resources, and

health; the vice president of CORFO [Production Development Corporation]; the under secretaries of interior and regional development; and the special government affairs secretary. The president arrived in Valdivia after 1330 today.

His first activity consisted of a luncheon with community leaders at the Pedro de Valdivia Hotel. On this occasion he made some statements about the current national situation and the future.

The president stressed that the date 11 September 1973 not only represents the end of a foreign experiment—an enemy of freedom—in Chile but likewise represents the foundation of a new style of coexistence and of pursuing politics. He added that it is not mystery that in the past few days we have been feeling as if the times of the Popular Unity administration were back as we listened to the clever proposals and plans of certain opposition leaders whose purpose is to obtain advantages.

[Begin Pinochet recording] The Armed Forces and forces of order made a solemn oath before the Chilean people on 11 September 1973. In turn, the Constitution has assigned them the role of guaranteeing the institutional order, prompting them to renew their commitment to the citizenry and guarantee the sons and daughters of this land that our efforts of the last few years will not be destroyed because—as always—we will continue safeguarding the country to guarantee that those who aspire to exercise political power will be true democrats and real defenders of a free society and of man's freedom. These freedoms will consist (?not in a freedom) graciously granted by the government [passage indistinct] [end recording]

The chief of state added that the Armed Forces and forces of order mean to give Chile greater and better prospects for spiritual and material progress.

Afterward, Pinochet dedicated new surgery wings and a sterilizing unit at the regional hospital, worth 506 million pesos. The president then met with Valdivia and Osorno military unit personnel. Tomorrow Pinochet will travel to Puerto Montt, from where he will continue his tour to Futalaufu and Caiquen.

Army Communique Repudiates Politicians

PY1104022189 Santiago Domestic Service in Spanish 2300 GMT 10 Apr 89

[Text] The Army has publicly repudiated the critical remarks that politicians have made against the president. In an official communique, the Army said that these remarks have awakened a strong reaction of repudiation against the people who made them.

Army Public Relations Department Chief Lieutenant Colonel (Roberto Hot Krul) read the communique:

[Begin (Hot Krul) recording] In the wake of the statements made by some politicians, who have offended the dignity of His Excellency the president and commander in chief of the Army, and who have offensively referred to the situation in which he will be in the future, the high military command—speaking on behalf of the Chilean Army—hereby expresses to the public, with deep displeasure, the Army's strong repudiation of the people who made these statements. The Army points out that it feels that the offenses that seek to impair the image of His Excellency the president and commander in chief of the Army affect each and every Army member. [end recording]

The communique adds that the Army considers that the statements are provocative and unfair, because the military government has done nothing but fulfill its duty of preserving national sovereignty, which was jeopardized by ideologies and politicians who attempted to build a Marxist-Leninist regime in our fatherland.

Finally, the Army communique says: Therefore, Army members hereby reiterate that they have struggled for the freedom and sovereignty of our country and for the construction of an institutional system because the Army and the other defense organizations are the guarantors of those achievements.

U.S. Embassy Action in Fruit Case Examined

PY1104025489 Santiago Domestic Service in Spanish 2300 GMT 10 Apr 89

[Text] The Agriculture Ministry has released more information on the poisoned grapes case. The information is connected with actions undertaken by U.S. Embassy officials. We have a report by Jose Tomas Roca from Radio Nacional of Valparaiso:

[Roca] The Agriculture Ministry has released documents that include more information on the poisoned grapes case. The documents were delivered to Judge (Domingo Jura), who is investigating the case.

The Foreign Ministry has provided a note with more information on the case, particularly concerning the actions undertaken by officials of the U.S. Embassy.

Attorney General Ambrosio Rodriguez has requested that 10 legal steps be taken. The judge has sent the civil police eight requests for summoning civilians and conducting investigations.

Correction to Opposition Note on Constitution

PY1004121789

The following corrections pertain to the item headlined "Opposition Reads Note on Changes to Constitution," published in the 10 April Latin American DAILY REPORT, page 38, column two:

page 38, column two, paragraph one, end of first sentence make read: ...the national constitution. It also announced the... (correcting typo);

page 38, column two, paragraph three, end of first sentence make read: ...voice our deepest concern over the negative trend of these talks regarding some fundamental topics. These...(providing dropped passage).

Colombia

Foreign Debt Principal Payments To Be Resumed

PA1004135589 Bogota LA PRENSA in Spanish 30 Mar 89 p 27

[Text] Just 1 day before the end of the 3-month debt payments suspension agreement with international banks, and with $70 million of the $1.7 billion so-called "Challenger" loan left, the Colombian Government decided to resume principal payments on its public debt to foreign commercial banks beginning next week.

Last December, the government and its creditor banks agreed on a suspension of principal payments for the 1st quarter of 1989, amounting to approximately $300 million, to pressure financial institutions into participating in the provision of new resources.

At the time, it was agreed that the suspension could be extended if a new loan was not obtained during the 1st quarter. This option will not be necessary, however.

Although Finance Minister Luis Fernando Alarcon Mantilla did not want to comment on the subject yesterday, it is known that the decision to lift the payments suspension has been made. The General Treasury has already been authorized to release funds to make the payments.

Either today or tomorrow, a smaller number of banks, especially the small banks, are expected to confirm their participation in a syndicated loan amounting to $1.7 billion. Some of these banks have become increasingly reluctant to join the syndicate, particularly after the announcement of the Brady plan proposal to reduce Third World debt.

The syndication process will be completed when each bank formally agrees to underwrite part of the credit to the Chemical Bank, the leader of the transaction. More than 100 financial institutions will participate in the syndicate.

If all goes well, the new credit will be signed at the end of April. It is not known when the first disbursements will be made. While these are being made, Colombia will become a net exporter of capital, that is to say, it will send more money abroad than it receives from international banks.

The new credit guarantees that the government will have the necessary resources to take care of its foreign debt service needs between 1989 and 1990. The plan is for each bank to lend an amount equivalent to what Colombia will have to pay it in 1989 and 1990.

That was the condition set by the government for not renegotiating its foreign debt.

Minister Alarcon announced that by week's end he will give details on the loan syndicate, which will handle part of the $1.5 billion loan, and on a more "voluntary" part of the loan, amounting to $200 million, to be obtained through a bond issue.

One cannot dismiss the possibility that the new loan will exceed $1.7 billion since the National Council for Economic and Social Policy (CONPES) has given its authorization for a loan of up to $1.7 billion.

Police Thwart Attempted ELN Occupation

PA1104022889 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 10 Apr 89

[Text] The Colombian police thwarted the occupation of Salonica, near Rio Frio, eastern Valle Department, by a National Liberation Army [ELN] unit. In a clash between the ELN unit and the police, two guerrillas were killed and a policeman and a civilian were wounded.

At 1100 on Sunday, market day, when people come to town from the outskirts, approximately 20 members of the ELN's Luis Carlos Cardenas column tried to enter the town but were intercepted by a police patrol. One of the guerrillas killed was Alfonso Benitez Echeverry from Buga. The wounded policemen [as heard] are Alberto Victoria and Jorge Velez.

[Begin recording of unidentified local resident] Fortunately, the police kept these guerrillas from entering the town. In the ensuing clash, two of the subversives were killed. [end recording]

In the leaflets they managed to distribute to the residents, the rebels claimed responsibility for the occupation of Sipi, Choco Department, on 2 February and recalled the 23d anniversary of the death of Camilo Torres, a parish priest turned guerrilla.

M-19 Presents Proposals at Roundtable Meeting

PA1004175089 Bogota EL TIEMPO in Spanish 5 Apr 89 p 6-B

[Text] Yesterday, at the first roundtable meeting, the 19 April Movement, M-19, was the only party of those participating in the working roundtables to present a number of proposals to the political parties and the government.

The M-19's list of proposals is a varied one:

For coexistence, justice, and order, M-19 leader Pizarro requested: a special tribunal for the investigation and trial of political crimes, regulations for the self-defense corps and the dissolution of the paramilitary groups, a study of formulas to hold direct talks with the rightist groups' spokesmen, a nongovernment commission that would propose solutions to the drug-trafficking problems and formulas for a dialogue with the cartel leaders, abolition of the antiterrorist law and application of international human rights, and formation of a human rights supervising commission.

As for economic and social matters, the M-19 requested the expansion of the coverage of the National Council for Economic and Social Policy to all the nation's forces so a reconstruction plan throughout the country can be implemented, and implementation of a special food production and distribution program.

Regarding constitutional and election matters, the M-19 requested the elimination of constitutional Article 218 to return power to the people through a voting process that should be held in August 1989.

Andean Development Corporation Reports Loans

PA1004172289 Bogota EL SIGLO in Spanish 31 Mar 89 p 6-B

[Summary] German Jaramillo Rojas, director of the Andean Development Corporation [CAF] has reported to EL SIGLO that Colombia, which borrowed $196 million in 1988 and has received $774.379 million since CAF was founded, has been the country that has benefitted the least by loans from CAF, which lent $1.3597 billion to Andean countries in 1988. He also said Colombia can choose the most convenient loans from a broad range of plans available from international banks, because the country is well known for paying its obligations on time.

Ecuador

Borja on Brady Plan, Debt Problem Options

PA0704155989 Quito Voz de los Andes in Spanish 1200 GMT 5 Apr 89

[Interview with President Rodrigo Borja by unidentified reporter; date and place not given—recorded]

[Text] [Borja] I believe that the Brady plan is very important because it is the first time that the U.S. Government has agreed with Latin America's position and with what some of the most brilliant Latin American leaders have been saying all along. There is no doubt that the debt problem—and Mr Brady concurs—is basically a political problem, because the lives, welfare, health, and survival of 350 million Latin Americans depend on finding a solution to the debt problem. One must realize that a problem of such magnitude, affecting so many people, cannot just be a financial problem without having any political ramifications, and that therefore political solutions must be sought.

I also believe that there already is an international awareness that both creditors and debtors must be equally responsible for the debt and that therefore it cannot be resolved unless reciprocal concessions and mutual sacrifices are made. We debtors are guilty because we went into debt at a disproportionate level relative to our repayment ability and did not always use these funds for priority projects. The creditors are guilty because they pressured, cajoled, and even bribed Latin American ministers and presidents into investing these surplus funds in our countries.

There are also what I call unconventional solutions to the debt problem—in other words, improvised solutions. For example, in this case, the Brady plan calls for a reduction in owed principal. This is not the usual, time-honored, strictly financial solution the creditors hope for. Instead, the Brady plan would reduce the debt, taking into account that the present debt is impossible to repay, even though the debtors want to repay it. In other words, it is not a question of wanting or not wanting to repay the debt; our problem is that we cannot repay the debt because the owed amounts exceed many times over Latin America's repayment capacity.

[Reporter] Mr President, aside from reducing the debt, what other ways to solve the debt problem should be proposed?

[Borja] There are many possible proposals. We could speak of pardoning the interest payments, of turning interest into capital, of refinancing the debt—in other words, there are several unconventional ways to remedy the number one problem hindering Latin American development.

Paraguay

Argentine Minister Caputo Arrives on Visit

PY1004193289 Asuncion RPC Television Network in Spanish 1600 GMT 10 Apr 89

[Excerpts] Argentine Foreign Minister Dante Caputo arrived in Asuncion this morning at the invitation of his Paraguayan counterpart Minister Luis Maria Argana. We filmed his arrival at the International Airport. [passage omitted]

The Argentine foreign minister reviewed the Paraguayan Air Force troops. Before leaving the airport, Minister Caputo granted a news conference.

[Begin recording] [Caputo] It is rather difficult for me to explain why I have come to Paraguay. First, let my express the great pleasure I feel about being on Paraguayan soil. This is a moment which my government and I have awaited for a long time. I believe we are beginning

a new chapter in our bilateral relations, which coincides with the first contacts between the Paraguayan Government and the rest of South America.

I will talk with my colleague Argana and will have the pleasure of visiting President Rodriguez and conveying to him a message from President Alfonsin. I believe we will have an intense and important agenda. Basically, however, I want to emphasize the political meaning, the political symbol, of this visit.

[Reporter] Mr Minister, could you please compare the two administrations?

[Caputo] [Words indistinct] but I cannot.

[Reporter] I was asking you if you could compare the Argentine and Paraguayan administrations.

[Caputo] No, I do not believe I can make any comparison. I do not understand how we could compare these two administrations. It is my opinion that both administrations are seeking ways of improving our bilateral relations, of finding new channels to increase our cooperation and exchange. [end recording]

Asked about the probable date of President Alfonsin's visit to Paraguay, Minister Caputo said:

[Begin recording] This will have to be discussed. [passage omitted] [end recording]

Rodriguez Interviewed on Visit

PY1004210089 Asuncion RPC Television Network in Spanish 1600 GMT 10 Apr 89

[Interview with President Andres Rodriguez by unidentified Argentine television reporter at Government House in Asuncion on 10 April—recorded]

[Excerpt] We would like to hear your impressions on our foreign minister's visit. What does it mean to you?

[Rodriguez] I am very happy to receive the Argentine foreign minister, who is accompanied by other important Argentine officials. I believe this is the resumption of the friendly relations that have always linked Argentina and Paraguay.

[Reporter] Will you meet with President Alfonsin?

[Rodriguez] Yes, I am eager to meet him. I will give him a cordial and brotherly embrace as my sincere friend. We will embrace in the name of our two countries.

[Reporter] You know that Brazil, Uruguay, and Argentina are taking the first steps in the integration process. Do you believe Paraguay might join this process?

[Rodriguez] This is our intention and our wish. Together, we will try to solve our problems, if there are any, and cooperate for the benefit of our peoples.

[Reporter] What areas can be swiftly improved between Paraguay and Argentina, Mr President?

[Rodriguez] Our cultural, economic, and social relations. We can, above all, deepen the friendship that must exist between our two peoples and administrations.

[Reporter] Thank you very much, Mr President.

[Rodriguez] Thank you. [passage omitted]

Peru

Army, Police Kill 14 Narcoterrorists

PY1004223489 Lima Television Peruana in Spanish 1800 GMT 10 Apr 89

[Text] Combined Army and police forces have reportedly killed some 14 narcoterrorists in clashes in areas located between the Ucayali and Perene Rivers. According to unofficial reports received from Junin, the troops have helicopter gunship support. The patrols are persuing groups of narcoterrorists who dispersed inside the jungle in order to escape.

Soviet, FRG Helicopters To Be Purchased

PY1004131189 Madrid EFE in Spanish 0236 GMT 9 Apr 89

[Excerpt] Lima, 8 Apr (EFE)—Peru will purchase 15 "MI-17 MIL" helicopters from the Soviet Union and 8 BO-105 and BK-117 helicopters from the FRG. These helicopters will apparently be used in the struggle against narco-terrorism in the northern Peruvian jungle area.

According to the April issue of THE PERU REPORT, an English-language monthly published in Peru, the helicopters that will be purchased from the FRG cost $25 to $30 million.

THE PERU REPORT adds that special commando units will be formed, resembling those of the British SAS (Special Air Service) [preceding three words in English]. [passage omitted]

Uruguay

Referendum on Expiration Law Set for 16 April

PY0805173389 Madrid EFE in Spanish 1129 GMT 8 Apr 89

[By Pepe Leira]

[Excerpts] Montevideo, 8 Apr (EFE)—The Uruguayan Electoral Court has called on 2,270,000 citizens to cast secret votes on the Law of Expiration on Sunday, 16 April. The people will decide whether the law granting

amnesty to the military members who violated human rights during the de-facto government (1973-85) should be implemented or revoked. [passage omitted]

The referendum will be held at the request of 634,072 people, who signed a petition calling for the use of the constitutional mechanism of direct voting. This way, the people will decide whether to pardon or punish those responsible for the large number of victims during the 12 years of military role. The military is charged with murdering, torturing, and causing the disappearance of innumerable people.

In December 1986, the law was approved in Congress by a large majority of Colorado Party and National Party (Blanco) congressmen.

This law, which is also known as the "full stop law" and the "impunity [impugnidad] law," extends to the military the same terms of pardon as those granted to the "Tupamaro" guerrillas in March 1985.

The law put an end "to the state's intention of punishing the crimes committed by military or police personnel for political reasons, or in the exercise of their tasks." [passage omitted]

On 16 April, the people will have to choose between a "yellow" sheet stating "I vote for implementation" of the law of expiration and a "green" sheet stating "I vote for the revocation" of the law.

According to the Electoral Court, 7,072 voting posts will be open from 0800 to 1930 (1100 to 2230 GMT) nationwide.

Each post will have three neutral public employees and delegates representing the 14 political parties.

In Montevideo, where half of all Uruguayans—2,950,000—live, there will be 3,188 voting posts.

From 350 to 420 people can vote at each post.

The balloting boxes will be guarded by police. Military personnel will not control the elections.

Voting is mandatory, and those who fail to vote will have to pay a 3,500-pesos (nearly $6) fine.

From 80 to 85 percent of the voters are expected to vote in the referendum. According to government officials, the result will be released the night of 16 April.

Military Rejects Comparison With Terrorists

PY0704192589 Buenos Aires DYN in Spanish 2350 GMT 6 Apr 89

[Text] Montevideo, 6 Apr (AFP)—An editorial published today in EL SOLDADO magazine states that Uruguayan military officers will not accept "being compared" with "terrorists" because the fight against terrorism was waged in accordance with the Constitution. EL SOLDADO magazine is widely disseminated within the Armed Forces.

EL SOLDADO, which has reappeared after several months of inactivity, referred to the plebiscite on the Law of Expiration for military members scheduled for 16 April, by saying: "We shall not forget the political efforts in this direction nor shall we lose this new war."

EL SOLDADO, which is published by the Military Center, the largest Armed Forces social club, stated that the plebiscite, which is being promoted by former Tupamaros, reflects their purpose to continue waging in the political field the war that they lost in the military field in the 1970's.

"It is obvious that under these circumstances the armed forces labor under great tension and in an atmosphere of uncertainty," EL SOLDADO says.

"The subversive war," EL SOLDADO added," was not a personal affair of any given officer; each of them did as they were ordered by the Armed Forces command. Therefore, anyone who tries to attack or indict specific Armed Forces officers is involving the entire institution as well."

Tupamaro Leader Ill; Taken to France

PY0704165689 Madrid EFE in Spanish 0412 GMT 7 Apr 89

[Excerpt] Montevideo, 6 Apr (EFE)—Sources close to Raul Sendic, the leader of the old National Liberation Movement (MLN-Tupamaros) guerrilla organization, have reported that he is suffering from a very serious illness.

MLN spokesmen today said that Sendic, 63, is suffering from charcot [a type of arthritis] and that he was taken to Paris to be admitted to Dr Menenger's clinic.

The Tupamaro ideologue is suffering a "lateral muscular amyotrophic sclerosis which greatly limits the movement of his upper and lower limbs, tongue, face, and eating and breathing muscles." [passage omitted]

Country To Receive Export-Import Bank Loan

OW0704183989 Tokyo KYODO in English 0932 GMT 7 Apr 89

[Text] Tokyo, April 7 KYODO—The government Export-Import Bank of Japan will lend Uruguay 11,824 million yen in an untied loan to help modernize transportation systems in the South American country, bank officials said Friday.

The loan will be a part of a syndicated loan to be provided to Uruguay by the World Bank in Washington, they said.

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